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TENNESSEE PUBLIC SERVICE COMMISSION

1989-1990
ANNUAL REPORT

COMMISSIONERS

KEITH BISSELL, CHAIRMAN
STEVE HEWLETT, COMMISSIONER
FRANK COCHRAN, COMMISSIONER

TENNESSEE PUBLIC SERVICE COMMISSION
460 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-0505

KEITH BISSELL, CHAIRMAN
STEVE HEWLETT, COMMISSIONER
FRANK COCHRAN, COMMISSIONER

PAUL ALLEN, EXECUTIVE DIRECTOR
HENRY M. WALKER, GENERAL COUNSEL

December 31, 1990

The Honorable John S. Wilder
Speaker of the Senate
Legislative Plaza/Room 1
Nashville, TN 37219

The Honorable James O. Naifeh
Speaker of the House
Legislative Plaza/Room 19
Nashville, TN 37219

Gentlemen:

In accordance with the provision of Title 65, Section 116, Tennessee Code Annotated, we herewith submit to you the Annual Report for the period beginning January 1, 1989, ending December 31, 1990, of the Tennessee Public Service Commission.

We have endeavored to present, as briefly as possible, a summary of the details of the regulatory accomplishments of this Commission.

Respectfully submitted,

Keith Bissell, Chairman

Steve Hewlett, Commissioner

Frank D. Cochran, Commissioner

TENNESSEE PUBLIC SERVICE COMMISSION

1989-1990 ANNUAL REPORT

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PSC DIRECTORY

Keith Bissell, Chairman

Chairman Bissell was first elected to the Tennessee Public Service Commission in 1978 and is currently serving his third term. Active in regional and national regulatory associations. He is past president of the SouthEastern Association of Regulatory Utility Commissioners (SEARUC) and serves on the Executive Committees of SEARUC and the National Association of Regulatory Commissioners (NARUC). He is a former Chairman of the NARUC Transportation Committee, member of the Natural Gas Committee and the Special Committee on State-Federal Railroad Cooperation.

Chairman Bissell was born in Oak Ridge, attended Oak Ridge Public Schools and served four years in the United States Air Force. Upon returning to East Tennessee, he earned a B.S. Degree in Business Administration with a major in Transportation from the University of Tennessee at Knoxville. While attending the Nashville School of Law, Bissell worked as Director of the Transportation Rate Division of the Tennessee Public Service Commission from 1966-1970. In 1970, he earned his Doctor of Jurisprudence Degree and was elected to the Tennessee General Assembly representing Anderson and Roane Counties. Bissell was elected to four terms in the Legislature during which time he was very active on consumer, environmental and education issues. He served as Chairman of the House Labor and Consumer Affairs Committee, and the House Sub-Committee on Energy, Majority Whip, as a member of the National Conference of State Legislatures' Energy Task Force, and as a member of a special committee established to study utilities and utility district legislation.

Chairman Bissell served as State Campaign Chairman for the American Heart Association from 1984 to 1987 and is a member and former Chairman of the Vanderbilt University Transportation Advisory Council. He and his wife Pat have two daughters, Debbie and Kelly, and are members of the Johnson's Chapel Methodist Church in Brentwood.

Steve Hewlett, Commissioner

Steve Hewlett was elected to the Tennessee Public Service Commission in November 1986. Mr. Hewlett is a Democrat and his present term expires on December 31, 1992.

Commissioner Hewlett is currently serving on the Communications Committee of the National Association of Regulatory Utility Commissioners (NARUC). He is a member of the 410(b) Joint Conference of the Federal Communication Commission and is Chairman of the new Technologies Task Force of NARUC.

He was State President of Tennessee Jaycees (1976-77); President of Nashville Middle Tennessee Home Builders Association(1985); Member of Board of Trustees at Belmont College (1981-1986). He was a former member of the Tennessee Assessment Appeals Commission. He currently serves on the National Board of Directors of the National Association of Home Builders.

Commissioner Hewlett graduated from Belmont College in Nashville. He is a member of the Nashville Sertoma Club; a 32° K.C.C.H. Scottish Rite Mason, a member of the Nashville Rotary Club; a JCI Senator #20,932, and a Tennessee Volunteer Corps Colonel #321.

Commissioner Hewlett is married, wife Mary Lynne, with four children; Stephanie, Abigail, Andrew and Rachel. He is a member and Deacon at Judson Baptist Church.

Frank Cochran, Commissioner

Frank Cochran was elected to the Tennessee Public Service Commission in November 1976 and was re-elected in 1982 and 1988. Commissioner Cochran is a Democrat and his present term expires December 31, 1994.

Born in Tiptonville, Tennessee, Commissioner Cochran attended public schools. He attended the University of Tennessee at Martin, David Lipscomb College, University of Tennessee at Knoxville, University of Tennessee College of Law. Commissioner Cochran was admitted to the practice of law in April 1962.

Commissioner Cochran served four terms in the State Legislature, where he served as House Floor Leader and Committee Chairman. He has also served as City Attorney and City Judge in Tiptonville and County Attorney for Lake County.

Commissioner Cochran has twice been honored as one of the "Outstanding Young Men in America". He has been active in the Kiwanis, Jaycees, United Way, Leukemia Society of Tennessee and several legal and professional associations.

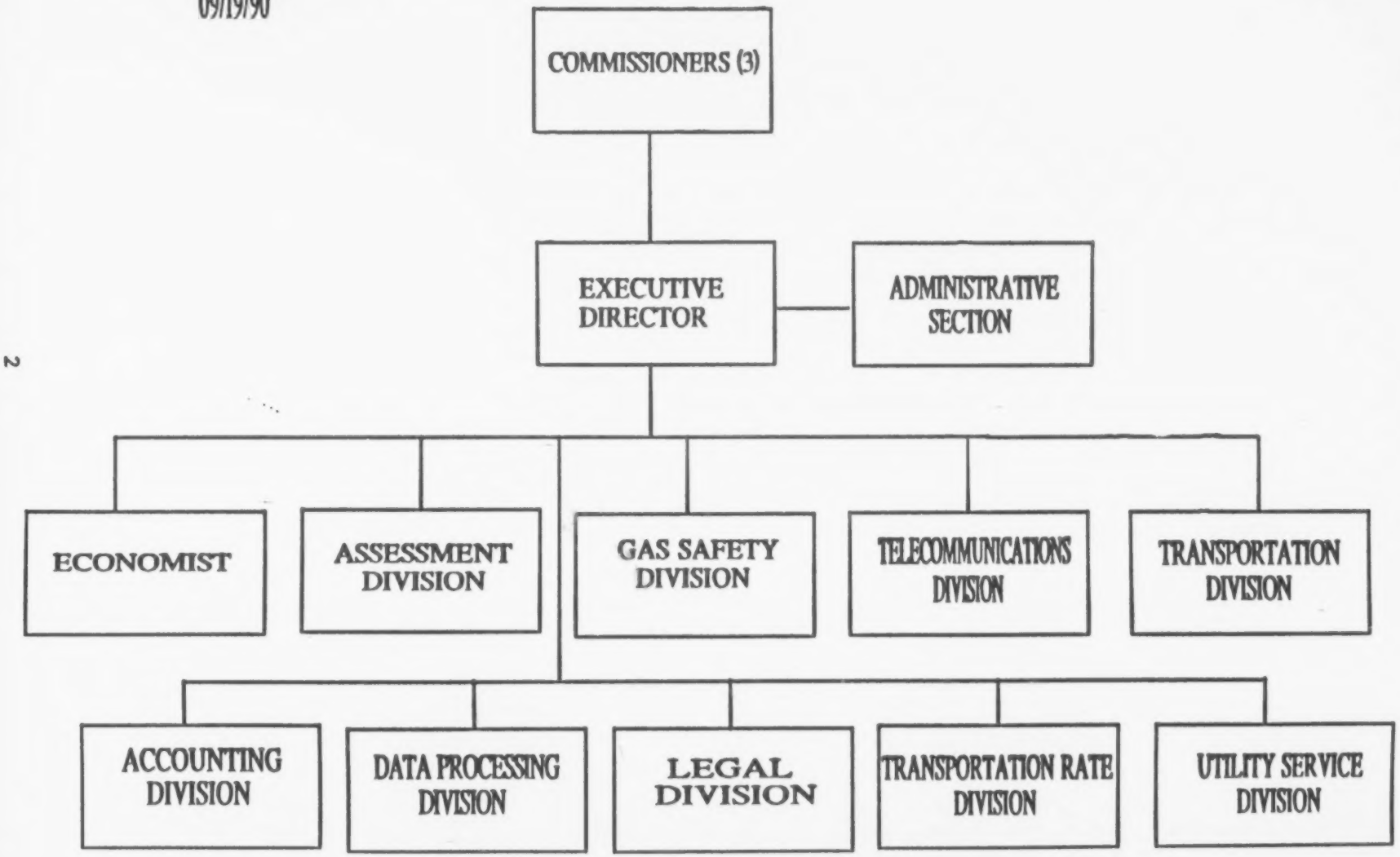
He is married to the former Pat Whitfield, and they have two sons, Kent and Craig.

TENNESSEE PUBLIC SERVICE COMMISSION

REGULATORY STAFF

EXECUTIVE DIRECTOR	PAUL ALLEN
ADMINISTRATIVE OFFICER	JOHN GUENTHER
ACCOUNTING	WHITFIELD BURCHAM
ASSESSMENT	BARRY MURPHY
DATA PROCESSING	ANITA CLARK
ECONOMIST	CHRIS KLEIN
GAS PIPELINE SAFETY	GLYNN BLANTON
LEGAL	HENRY WALKER
TELECOMMUNICATIONS	TED TINGLEY
TRANSPORTATION	GORDON SMITH
TRANSPORTATION RATE	DON WINGO
UTILITY SERVICE	EDDIE ROBERSON

TENNESSEE PUBLIC SERVICE COMMISSION
ORGANIZATIONAL CHART
09/19/90



HISTORY OF THE TENNESSEE PUBLIC SERVICE COMMISSION

The Commission was created as the "Railroad Commission" in a special session of the General Assembly in 1897. The original purpose of the Commission was to regulate railroad operations and to assess railroad, telegraph and telephone values for tax purposes. Commissioners have been elected since the inception of the Commission.

In 1919, the Commission was given general supervision and regulatory authority over all public utilities in the state and the name was changed to "Railroad and Public Utilities Commission". The Commission was also authorized and directed to evaluate all utility property for taxation purposes.

In 1921, public utilities was defined so as to include common carriers. The Tennessee Motor Carrier Act was passed in 1933 which gave the Commission the power and authority to license, supervise and regulate every motor carrier in the state. The Commission would fix or approve rates, fares and regulate the schedules and service of all motor carriers just as it regulated railroad operations.

The 1955 General Assembly changed the name of the Commission to its present name, the Tennessee Public Service Commission.

TENNESSEE PUBLIC SERVICE COMMISSION

COMMISSION MEMBERS

The Tennessee Public Service Commission consists of three elected members. Each Commissioner's term of office is for six years, one member being elected biennially in a statewide election. By statute, each grand division of the State of Tennessee has a representative member of the Commission, and the Commissioners themselves elect a Chairman biennially.

PURPOSE

State regulation of privately owned and operated utilities is a product of the democratic system. The primary purposes of the Tennessee Public Service Commission are to insure service to the public at fair and just rates by the utilities which it regulates, and to promote safe truck and rail transportation.

Under the Commission's jurisdiction are those things supplied by private enterprise which people of the State must have: light, power, heat, communication and transportation. Private residences or managers of vast industry who trip an electric switch, adjust a thermostat, lift a telephone receiver, ride a public carrier, and who ship or receive commodities by rail or motor carrier are, to some degree, affected by the responsibility of the Commission to see that adequate service is provided at a reasonable charge.

The Tennessee Public Service Commission has jurisdiction over privately owned electric companies, telephone companies, water companies, gas companies, inter-exchange long distance carriers, power transmission companies, sewerage companies, mobilphone companies, railroad companies, express companies, motor truck and bus companies, tour bus companies and limousine companies.

No governmental agency, state or national, has a more profound impact upon the daily lives of Tennessee residents than does the Tennessee Public Service Commission.

FUNCTION

The Commission is a statutory body with several basic functions delegated it by the Legislature. Primarily these may be stated as the supervision of all aspects of railroads, motor carriers, and utilities that perform services within the boundaries of Tennessee (intrastate) and the assessment of all county and municipal ad valorem taxes of these utilities. The Commission's legislative powers include the making of all necessary rules for utility operations, including the operating rates and the complete administration of these rules. Further, it has quasi-judicial powers including decisions concerning public convenience and necessity and the authority of decisions concerning any conflicts or controversies arising from utility operations.

Today's public utility, to a large extent, is owned by the same public which it serves through the continuing expansion of its stock ownership. Destruction, through regulation in the guise of public benefit, would devastate the public investors in the private utilities as well as the public customers of that utility.

In its own area, each utility subject to regulation by the Tennessee Public Service Commission has, in a broad sense, a monopoly. When overlapping or when in potential conflict in competition, these utilities must show necessity for their services, the ability to serve at a reasonable price, and long-range benefits to the public. Wasteful competition by duplication of services would be at public cost. Destructive competition eventually could victimize the public.

DUTIES

The Legislature has vested in the Tennessee Public Service Commission certain broad and general powers which have been judicially recognized and affirmed by the Supreme Court of Tennessee. These may be generally summarized as follows:

(1) LEGISLATIVE POWERS which include the making of rules. A familiar example of this function is the Commission's duty of prescribing regulations including rates to be observed by public service companies.

(2) ADMINISTRATIVE POWERS which include the application of the rules prescribed and the application of the laws enacted by the Legislature in particular.

(3) QUASI-JUDICIAL POWERS which include the decision of controversies arising within the jursidiction of the Commission as well as the holding of hearings to determine that which meets the public convenience and necessity.

Some of the routine duties of the Commission which are performed regularly and which fall under the broad general hearings heretofore outlined are as follows:

(1) Maintenance of current calculations for ratemaking purposes of all utilities.

(2) Checking monthly and annual operating reports.

(3) Computing rates of return of companies subject to the Commission's jurisdiction.

(4) Valuation and assessment annually of all railroad, utility and motor carrier properties in the State for county and municipal ad valorem purposes.

(5) Determining the propriety of granting certificates of convenience and necessity to public utilities and motor carriers making application, therefore, after public hearing.

(6) Cooperating with Federal agencies with powers parallel to those of the Tennessee Public Service Commission including the Federal Communications Commission, the Federal Energy Regulatory Commission, and the Interstate Commerce Commission for the purpose of coordinating regulation and the protection of the interests of Tennessee and its citizenry.

(7) Investigating, determining and fixing of just and reasonable rates.

(8) Conducting investigations and holding of hearings.

The Tennessee Public Service Commission works in conjunction with the Department of Transportation, Office of Pipeline Safety, in enforcing safety standards for transportation of gas by pipeline. Under the jurisdiction of the Commission for this purpose are privately owned gas companies, gas utility districts, municipal gas operations, and Federal housing projects.

There are various other duties performed by the Commission under its own rules and regulations, all of which are related in one way or another to the rates, services, capital structure, income, reports and systems of accounts of the companies operated with the State of Tennessee over which the Commission has jurisdiction.

The Tennessee Public Service Commission meets in regular session referred to as the "Commission Conference" on the first, third and fifth Tuesday of each month. These are public meetings open to the public and the minutes of each meeting are fully recorded and are open to public inspection. These meetings are held in compliance with Chapter 442, Public Act of 1974, commonly referred to as the "Sunshine Law".

WHAT THE COMMISSION DOES NOT DO

The Tennessee Public Service Commission is excluded by Tennessee law from any jurisdiction to regulate the rates, services or operations of a number of enterprises generally considered to be public utilities. These include:

(1) Any water, gas (except for safety), electric, or similar utility system owned or operated by any agency of the United States, the State of Tennessee, or any county or incorporated town or city in Tennessee, and any transportation system so owned or operated. (Section 65-401, Tennessee Code Annotated).

(2) Any water, gas (except for safety), or similar utility system organized and operating as a utility district under the Utility District Law of 1937. (Section 6-2613, Tennessee Code Annotated).

(3) Any electric and telephone cooperative not organized or doing business for profit. (The sole jurisdiction over such cooperative which the Commission has is to assess their properties for county and municipal taxation). (Section 65-401; 65-2530, Tennessee Code Annotated).

(4) Any bus carrier of passengers, operating exclusively within the corporate limits of any municipality or within a distance of two to seven miles outside such limits, depending on the population of the city. The rates, services and operations of such companies are regulated exclusively by the cities in which they operate. (Section 65-1001, Tennessee Code Annotated).

The members of the Commission and the regulatory staff frequently receive calls and letters making complaints about some phase of the operation of these non-regulated enterprises; but due to the limits placed on its authority by the Tennessee Legislature, the Commission lacks jurisdiction to handle such complaints, so calls are then referred to the appropiate agency.

SUBJECTS OF THE COMMISSION'S JURISDICTION

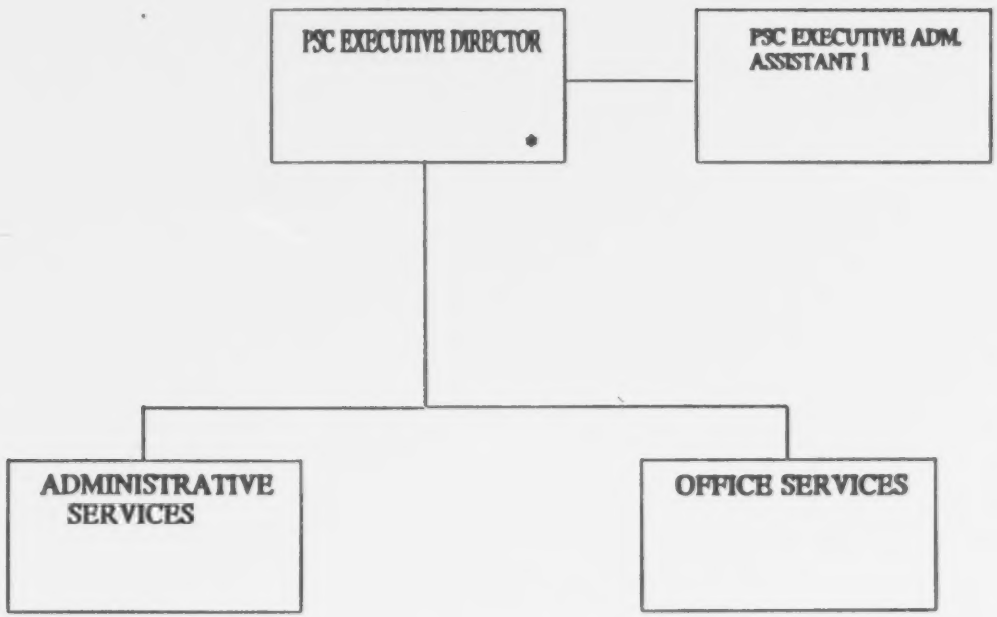
As of December 31, 1990, the railroads, motor carriers, and public utilities, subject to the jurisdiction of the Tennessee Public Service Commission were by approximate number and general classification as follows:

	Bus Companies:		880
	Truck Companies:		
	ICC Regulated		17,444
	Exempt		4,803
	Private Car Companies		229
	Railroads		21
**	Airline Companies		23
	Barge Line Companies		15
	Public Utilities		312
	Electric Companies	3	
**	Electric Cooperatives	25	
***	Gas Companies, Utility Districts & Municipalities	88	
***	Transmission Lines, Direct Sales	17	
***	Housing Authorities, Apartments & Mobile Home Parks	71	
	Mobilphone Companies	11	
	Pipeline Companies	17	
	Power Transmission Companies	3	
	Telegraph Company	1	
	Telephone Companies	18	
**	Telephone Cooperatives	10	
	Telephone Long Distance	22	
	Telephone Cellular	11	
	Water & Sewerage Companies	15	

**Airline, Water Transportation Carriers, Electric Cooperative and Telephone Cooperative Companies are under the Commission's jurisdiction only for Ad Valorem Tax Assessment.

***Utility Districts and Municipalities are under the jurisdiction of the Tennessee Public Service Commission insofar as gas safety is concerned. Pipeline companies are under this Commission's jurisdiction insofar as gas safety is concerned and for Ad Valorem Assessment.

TENNESSEE PUBLIC SERVICE COMMISSION
EMPLOYEE CLASSIFICATION ORGANIZATIONAL CHART
07/30/90



* DENOTES SUPERVISION OF ALL DIVISION DIRECTORS

EXECUTIVE DIRECTOR'S OFFICE

Paul Allen
Executive Director

The three Commissioners cannot perform the numerous duties of their offices without extensive and expert assistance. This is provided in a regulatory staff organization consisting of an Executive Director, 9 divisions, administrative office, budget and personnel sections.

These are assisted by a field staff of railroad safety inspectors, motor carrier enforcement officers, gas safety inspectors, and utility investigators who help see that the rules and regulations of the Commission are enforced.

The Executive Director performs both the role of Secretary and that of Executive Director. He is responsible for the following functions:

(1) Planning, directing and coordinating the entire operation of the Commission.

(2) Directs the internal operations of the Commission. This includes the development of administrative policies and procedures including fiscal and personnel procedures.

The Executive Director, with the assistance of those working under his supervision, relieves the Commissioners of many administrative tasks that formerly consumed much of their time. The Director is authorized by the Commission to take necessary action to require that the duties, responsibilities and assignments of the divisions of the Commission are accomplished in an effective and efficient manner, and to issue directives to the employees of the Commission to achieve that objective.

Generally, the duties of the Executive Director are as follows:

(1) Serves as Custodian of the Commission's official records.

(2) Develop and review internal and administrative policies and procedures.

(3) Plan, direct and coordinate the administrative activities of the Commission's regulatory staff.

(4) Coordinate and expedite matters pending before the Commission.

(5) Develop effective fiscal and personnel management.

(6) Serve as Personnel Officer.

(7) Assist in keeping the public advised of the responsibilities and the duties of the Tennessee Public Service Commission.

Under the direct supervision of the Executive Director are the following sections with their main duties:

MAIN OFFICE - RECORDS

1. Schedules Commission hearings.
2. Maintains list of all pending dockets.
3. Prepares certifications to Court of Appeals.
4. Maintains ledger of accounts receivable for certified copies, transcripts and xerox copies, and sends invoices for these documents.
5. Prepares original orders for microfilm.
6. Maintains permanent records of all hearings.
7. Maintains records of all files sent to Archives.
8. Records word-by-word proceedings of all formal hearings.
9. Prepares transcripts of hearings upon request.
10. Edit, publish, and distribute the Commission's reports, rules and regulations.
11. Prepares and distributes Commission Conference Agenda.
12. Handles subscriptions for Commission's information services.

MAIN OFFICE - FISCAL/PERSONNEL

1. Preparation of the budget.
2. Audit and control of expenditures.
3. Collect and deposit receipts.
4. Maintain all fiscal reports of the Commission.
5. Process travel claims.
6. Process requests for purchases.
7. Preparation of the payroll.
8. Maintains personnel records.
9. Handles insurance and retirement matters.

BUDGET SUMMARY

APPROPRIATIONS, FEES AND EXPENSES

FOR FISCAL YEAR 1988-1989, THE GENERAL ASSEMBLY APPROPRIATED $11,515,300 FOR THE OPERATION OF THE TENNESSEE PUBLIC SERVICE COMMISSION. EXPENDITURES WERE $11,351,130.

FOR FISCAL YEAR 1989-1990, THE GENERAL ASSEMBLY APPROPRIATED $12,994,975 FOR THE OPERATION OF THE TENNESSEE PUBLIC SERVICE COMMISSION. EXPENDITURES WERE $12,800,880.

DISBURSEMENTS

	1988-1989	1989-1990
Personal Services & Employees Benefits	$7,891,729	$8,914,462
Travel	819,888	1,102,627
Printing & Duplicating	151,929	74,830
Utilities & Fuel	10,538	12,831
Communications & Shipping Costs	250,180	259,834
Maintenance & Repairs	21,874	16,569
Professional Services & Administrative Services	901,723	1,258,254
Supplies	368,827	259,527
Rent & Insurance	126,377	567,324
Motor Vehicle Operation	84,345	42,342
Awards * Indemnities	1,202	685
Grants & Subsidies	53,166	54,383
Equipment	669,352	233,596
Building	-0-	3,614
TOTAL	$11,351,130	$12,800,880

REVENUE FEES

1988-1989

RAILROAD INSPECTION	$ 680,391.44
CERTIFIED COPY	139.00
UTILITY FILING FEE	1,135.00
UTILITY INSPECTION	2,483,351.27
MOTOR CARRIER FILING FEE	117,895.00
MOTOR CARRIER INSPECTION	2,718,540.90
DEPARTMENTAL REVENUE	4,212,891.17
TOTALS	$10,214,343.78

1989-1990

RAILROAD INSPECTION	$ 681,058.56
CERTIFIED COPY	70.00
UTILITY FILING FEE	4,260.00
UTILITY INSPECTION	2,649,835.51
MOTOR CARRIER FILING FEE	118,036.58
MOTOR CARRIER INSPECTION	3,180,258.90
DEPARTMENTAL REVENUE	6,013,631.88
TOTALS	$ 12,647,151.43

ABSTRACT OF MINUTES

The Abstract of Minutes of the Tennessee Public Service Commission submitted hereafter covers the period from January 1, 1989 to December 31, 1990.

The minutes of the Tennessee Public Service Commission are kept on permanent file in the office of the Executive Director. These are available to the public for inspection at all times. The Official Minutes show every action taken by the Commission. The Abstract of Minutes are recorded in permanent bound volumes and are prepared in a manner permitting immediate reference to the actions of the Commission. The following data are submitted in connection with each item of business:

(1) Docket Number
(2) Name of Applicant/Petitioner
(3) Subject Matter of Application/Petition
(4) Date of Final Order
(5) Summary of Commission's Action Relative to the Matter

An abstract or condensation of the Minutes is as follows:

	1989	1990
Motor Carrier Related Actions:	12,305	11,840
Utility Related Actions:	257	217
Railroad Related Actions:	25	21
Final Orders Written:	6,188	5,976
Filings Received by Commission:	6,269	6,000

UTILITIES

Certificates of Convenience and Necessity:

	1989	1990
Filed:	11	10
Granted:	4	4
Dismissed:	2	3
Pending:	18	18

Docketed Tariff Filings:

	1989	1990
Filed:	22	5
Granted:	13	13
Denied:	2	0
Pending:	10	3

Approval of Franchise & Political Subdivisions:

	1989	1990
Filed:	1	3
Granted:	1	2
Pending:	0	1

Approval for Financing:

	1989	1990
Filed:	8	5
Granted:	8	5
Pending:	0	0

Approval of Transportation Contracts:

	1989	1990
Filed:	2	2
Granted:	1	1
Dismissed:	0	2
Pending:	4	1

Rate Revisions:

	1989	1990
Filed:	13	7
Granted:	14	8
Pending:	2	2

Miscellaneous Matters:

	1989	1990
Filed:	15	18
Granted:	9	10
Denied:	2	1
Withdrawn:	1	1
Pending:	13	13

Utility Petitions to Intervene:

	1989	1990
Filed:	45	50
Granted:	45	50

MOTOR CARRIERS

	1989	1990
Certificates of Convenience & Necessity:	57	58
Emergency Temporary Authority:	15	7
Contract Hauler's Permit:	27	27
Interstate Permits:	4,213	4,097
Exempt Interstate Permits:	762	698
TOTAL APPLICATIONS:	5,074	4,887

Certificates of Convenience & Necessity:

	1989	1990
Filed:	57	58
Granted:	52	40
Denied:	3	3
Amended:	2	1
Dismissed:	4	14
Pending:	30	35

Motor Carrier Petitions to Intervene:

	1989	1990
Filed:	126	152
Granted:	126	152

New Contract Hauler's Permits:

	1989	1990
Filed:	27	27
Granted:	16	15
Amended:	0	1
Dismissed:	6	7
Pending:	14	16

Emergency Temporary Authority:

	1989	1990
Filed:	15	7
Granted:	11	5
Denied:	4	3
Dismissed:	0	1
Pending:	2	0

Transfer of Certificates and Name Changes:

	1989	1990
Filed:	302	302
Approved:	235	242
Dismissed:	1	17
Denied:	1	2
Petitions Pending:	53	91
SMC Dockets Filed:	7	4
MC Show Cause Orders:	3	2
Utility Show Cause Orders:	10	1
Certificates or Permits Cancelled:	615	559

RAILROADS

Minimum Clearance Exceptions:

	1989	1990
Filed:	1	0
Granted:	1	0
Pending:	0	0

Track Removal/Abandonment:

	1989	1990
Filed:	6	4
Granted:	6	6
Pending:	4	0

Close Stations:

	1989	1990
Filed:	3	5
Granted:	4	4
Pending:	1	4

Miscellaneous Matters:	0	2

COMMISSION HEARINGS

	MC	RR	UTILITY
Hearings Held in 1989	103	2	19
Hearings Held in 1990	71	0	25

ADMINISTRATIVE SECTION

John Guenther
Administrative Officer

The Administrative Section, which is under the Executive Director's Office, serves the Commission as its administrative services office and field support unit. This section is staffed with seven employees and is under the immediate supervision of the Administrative Officer.

The Administrative Section performs a variety of support services. These services are:

(1) Central Filing Center
Contains Commission dockets and microfilm.

(2) Records Management Program
Supervises this program and involved in a records reduction program.

(3) Records and Forms Duplication
Handled by Administrative Sections's printshop.

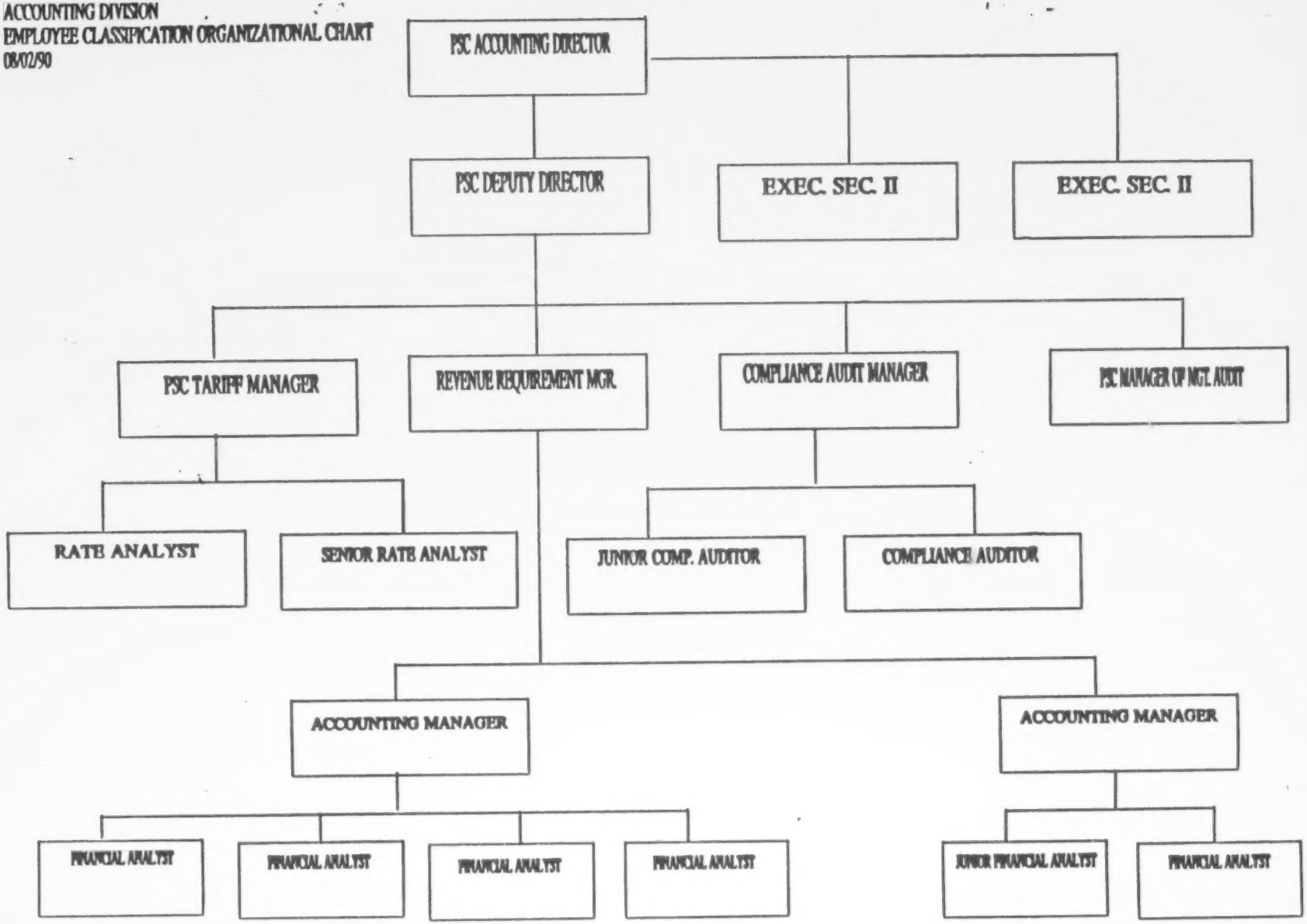
(4) Equipment and Supplies
Handles procurement and distribution.

(5) Inventory
Maintains inventory of equipment and supplies as well as 108 vehicles statewide.

(6) Maintenance of PSC Property
Responsible for upkeep of the offices and grounds of the Nashville building as well as eight buildings located across the state. Security is a function of this section.

(7) Mail Distribution
Processes all mail and coordinates messenger/courier services.

TENNESSEE PUBLIC SERVICE COMMISSION
ACCOUNTING DIVISION
EMPLOYEE CLASSIFICATION ORGANIZATIONAL CHART
08/02/90



ACCOUNTING DIVISION

Whitfield Burcham
Director

The Accounting Division has three primary functions. One is to submit various types of financial data to the Commission to use in formal rate proceedings. Another is to establish and supervise the several uniform systems of accounts adopted by the Commission. In order for effective regulatory control to be possible, utilities of similar size providing similar services must use the same accounting systems. The third is to provide the Commission with an analysis of docketed proceedings and make formal recommendations concerning rates and regulations under consideration.

In conducting its primary functions, the Accounting Division is divided into four sections which perform audits and analyses of utility financial information.

1. The Compliance Section conducts audits to determine if utilities are complying with applicable Uniform System of Accounts and other Commission rules, regulations and directives.

2. The Revenue Requirements and Special Studies Section conducts audits to determine if financial data submitted by utilities in formal rate proceedings is proper for the Commission to use to set just and reasonable rates. Additionally, this section reviews financial statements submitted during the year to determine if the utility earnings are too high. This section also reviews all PGA filings and requests for depreciation rate changes.

3. The Management Audit Section conducts audits to enhance efficiency and facilitate the achievement of organizational objectives by recommending improvements in the day-to-day operations of the management of the utility.

4. The Tariff Section reviews, interprets and oversees the implementation of rules, regulations and rates as approved by the Commission. This section also recommends appropriate rate structures to the Commission in formal hearings.

Utilities under the Commission's jurisdiction are required to submit various monthly, quarterly and annual financial reports to the Accounting Division. These reports are carefully analyzed and scrutinized as part of the Commission's "constant surveillance" policy. The reports are filed and used as reference material in preparing technical reports in connection with formal rate cases, earnings review analyses, depreciation rate studies, and various statistical reports. These reports and studies allow the Commission to keep abreast of the current earnings performance of the utilities under its regulatory authority.

Members of the Accounting Division participate in public rate hearings for the purpose of submitting expert testimony and exhibits relating to accounting matters. Another function of the Division is to analyze all accounting data

submitted by the applicant in such rate cases and in conjunction with the Legal Division, prepare cross-examination of the applicants' exhibits and testimony.

The Accounting Division also prepares general statistical data pertaining to all utilities which reflects, among other things, comparative revenue, expense, and investment per customer of the various utilities. A small part of this statistical data is embodied in this report. This information serves as a useful tool in all functions of the Accounting Division.

Another task assigned to the Accounting Division is the billing, collection and verification of all inspection fees paid by utilities and railroads as prescribed in T.C.A. Section 65-4-301 or other entities whom the Commission has authority to inspect under the gas safety program.

The primary duties of the Accounting Division are more fully presented below:

1. General Accounting
   a. Drafting Systems of Accounts.
   b. Promulgation of accounting rules and regulations.
   c. Interpretation of System of Accounts and explanation of accounting rules and regulation.
   d. Advice relative to all matters of accounting affecting regulation.

2. Audit and Field Investigations
   a. Rate case audits.
   b. General compliance audits.
   c. Audit of monthly, quarterly and annual reports.
   d. Field investigations of small companies for the purpose of verifying or assisting with preparations of reports.
   e. Internal audit of motor carrier fees.
   f. Financial Integrity Act review of internal controls.

3. Rate Case Audits
   a. Analysis of testimony and exhibits filed in connection with applications for rate increases.
   b. Assist with cross-examination of witnesses.
   c. Preparation of accounting testimony and exhibits filed on behalf of the staff.
   d. Studies of reports and budget estimates of the company under consideration and comparisons with other utilities.
   e. Forecasted estimates of plant, revenues, expenses, rate of return, capital structure and other information as appropriate.
   f. Assist in preparation of legal briefs and proposed orders.

4. General Compliance Audits
   a. Determine use of appropriate system of accounts.
   b. Determine compliance with other Commission Orders and directives.
   c. Determine proper treatment for financial transactions.
   d. Issue audit reports setting forth audit exceptions and recommendations.

5. Management Audit
   a. Review and evaluate effectiveness and efficiency of public utilities.
   b. Make recommendations for improvements in utility operations.
   c. Special projects as assigned.

6. Tariff Review and Analysis
   a. Initial review of tariff changes filed in connection with general rate proceedings.
   b. Initial review of filings for new tariffs according to PSC Rule 1200-4-1-.06.
   c. Accumulate and analyze data supporting the tariff changes and new filings.
   d. Make recommendations on tariff filings to Commission for its consideration.
   e. Investigate tariff inquiries and complaints from customers.

7. Report Analysis
   a. Review of monthly, quarterly and annual reports of utilities operating in Tennessee.
   b. Preparation of monthly and quarterly earnings reports.
   c. Annual review of earnings for all utilities.
   d. Preparation and modification of report forms when such cannot be obtained from other authorities.

8. Statistical
   a. General data pertaining to all utilities.
   b. Detailed data prepared on a per customer or unit basis for comparison purposes.
   c. Other data as required.

Summary of Regulated Utilities Investments, Reserves, Revenues and Expenses

The Accounting Division prepares general statistical data which it uses to study each regulated utility. The statistics embodied in this report are a composite of all privately owned telephone, gas, water, mobilphone, and long distance interexchange carrier utilities and the related customer growth which has taken place within the time period shown.

In 1985, the total "average gross plant investment" for all utilities was $3,344,328,638. In 1989, the average had grown to $4,223,528,787 representing a growth of $879,200,149. This growth in investment was necessitated by an increase in the number of customers served, ordinary retirement of old plant and technological advances requiring replacement of obsolete equipment.

During this same period, annual operating revenues increased $110,484,798, with a corresponding increase in annual operating expenses of $119,827,786.

The changes which have taken place in net operating income can be best exemplified by viewing statistical sheets of the separate utilities in the following pages.

The rate of return realized on net plant is presented in the following statistical data for each utility area and generally reflects the earnings available to support the debt and equity capital.

SUMMARY OF TENNESSEE PRIVATELY OWNED GAS INVESTMENTS
RESERVES, REVENUES, EXPENSES AND CUSTOMER DATA

	1985	1986	1987	1988	1989
PLANT					
Average Gross Plant In Service	$ 175,580,405	$ 190,962,048	$ 223,810,047	$ 252,870,796	$ 288,352,677
Average Accumulated Depreciation	65,785,152	70,372,678	79,165,656	86,388,864	93,899,661
Average Net Plant In Service	$ 109,795,253	$ 120,589,370	$ 144,644,391	$ 166,481,932	$ 194,453,016
REVENUES AND EXPENSES					
Operating Revenues	$ 261,327,520	$ 217,189,293	$ 203,551,449	$ 217,566,971	$ 227,128,403
Depreciation Expense	6,790,467	7,371,901	8,492,161	9,789,367	11,498,418
Operating Taxes	9,807,226	10,523,704	12,929,807	11,303,276	13,646,703
Purchased Gas Expense	204,950,708	155,416,129	132,515,606	139,659,025	142,362,330
Other Operating Expenses	30,663,371	33,442,202	35,907,318	40,020,212	41,209,380
Total Operating Expenses	$ 252,211,772	$ 206,753,936	$ 189,844,892	$ 200,771,880	$ 208,716,831
Net Operating Income	$ 9,115,748	$ 10,435,357	$ 13,706,557	$ 16,795,091	$ 18,411,572
Rate of Return */	8.30%	8.65%	9.48%	10.09%	9.47%
CUSTOMER DATA					
Residential Customers	117,585	121,888	132,018	142,280	148,639
Commercial, Industrial and Other Customers	28,884	30,064	31,749	33,049	33,465

*/ Ratio of net operating income to net plant.

SUMMARY OF TENNESSEE PRIVATELY OWNED TELEPHONE INVESTMENTS
RESERVES, REVENUES, EXPENSES AND CUSTOMER DATA

	1985	1986	1987	1988	1989
PLANT					
Average Gross Plant In Service	$ 3,083,474,165	$ 3,282,572,617	$ 3,491,108,840	$ 3,700,983,234	$ 3,837,477,028
Average Accumulated Depreciation	774,745,643	916,945,980	1,085,764,972	1,279,119,066	1,388,960,948
Average Net Plant In Service	$ 2,308,728,522	$ 2,365,626,637	$ 2,405,343,868	$ 2,421,864,168	$ 2,448,516,080
REVENUES AND EXPENSES					
Operating Revenues	$ 1,249,885,165	$ 1,309,904,829	$ 1,372,107,580	$ 1,393,713,093	$ 1,389,567,040
Depreciation Expense	214,227,469	241,750,236	314,313,948	323,678,759	323,155,684
Operating Taxes	230,096,687	231,144,078	202,663,295	151,269,520	129,479,371
Other Operating Expenses	562,497,319	593,089,896	613,906,500	686,496,241	710,155,389
Total Operating Expenses	$ 1,006,821,475	$ 1,065,984,210	$ 1,130,883,743	$ 1,161,444,520	$ 1,162,790,444
Net Operating Income	$ 243,063,690	$ 243,920,619	$ 241,223,837	$ 232,268,573	$ 226,776,596
Rate of Return */	10.53%	10.31%	10.03%	9.59%	9.26%
CUSTOMER DATA					
Business Access Lines	469,965	497,210	529,122	519,140	574,411
Residential Access Lines	1,543,955	1,584,812	1,654,814	1,704,494	1,722,516
Total Access Lines	2,013,920	2,082,022	2,183,936	2,223,634	2,296,927

*/ Ratio of net operating income to net plant.

SUMMARY OF TENNESSEE PRIVATELY OWNED WATER INVESTMENTS
RESERVES, REVENUES, EXPENSES AND CUSTOMER DATA

	1985	1986	1987	1988	1989
PLANT					
Average Gross Plant In Service	$ 74,657,274	$ 78,265,658	$ 82,030,877	$ 85,444,656	$ 89,781,873
Average Accumulated Depreciation	15,175,675	16,432,572	17,444,981	18,200,772	18,886,653
Average Net Plant In Service	$ 59,481,599	$ 61,833,086	$ 64,585,896	$ 67,243,884	$ 70,895,220
REVENUES AND EXPENSES					
Operating Revenues	$ 19,009,048	$ 20,095,346	$ 20,729,627	$ 22,185,197	$ 21,751,523
Depreciation Expense	1,327,703	1,344,465	1,417,174	1,542,814	1,676,886
Operating Taxes	3,476,992	3,655,706	3,448,352	3,607,135	2,998,633
Other Operating Expenses	9,437,678	9,970,038	10,804,269	11,457,517	12,063,879
Total Operating Expenses	$ 14,242,373	$ 14,970,209	$ 15,669,795	$ 16,607,466	$ 16,739,398
Net Operating Income	$ 4,766,675	$ 5,125,137	$ 5,059,832	$ 5,577,731	$ 5,012,125
Rate of Return */	8.01%	8.29%	7.83%	8.29%	7.07%
CUSTOMER DATA					
Residential Customers	58,397	61,814	62,500	62,833	62,503
Commercial, Industrial and Other Customers	7,131	7,249	7,404	7,570	7,658

*/ Ratio of net operating income to net plant.

SUMMARY OF TENNESSEE PRIVATELY OWNED MOBILPHONE INVESTMENTS
RESERVES, REVENUES, EXPENSES AND CUSTOMER DATA

	1985	1986	1987	1988	1989
PLANT					
Average Gross Plant In Service	$ 10,616,794	$ 8,621,751	$ 8,736,538	$ 8,532,438	$ 7,917,20
Average Accumulated Depreciation	4,481,521	3,252,175	3,387,884	3,561,273	3,388,14
Average Net Plant In Service	$ 6,135,273	$ 5,369,576	$ 5,348,654	$ 4,971,165	$ 4,529,06
REVENUES AND EXPENSES					
Operating Revenues	$ 6,602,579	$ 7,267,738	$ 7,720,133	$ 9,319,489	$ 8,862,14
Depreciation Expense	1,020,839	1,663,657	817,594	1,294,778	1,424,41
Operating Taxes	320,111	498,906	645,844	953,989	(14,01
Other Operating Expenses	4,908,635	6,591,603	7,733,161	7,426,756	9,695,91
Total Operating Expenses	$ 6,249,585	$ 8,754,166	$ 9,196,599	$ 9,675,523	$ 11,106,31
Net Operating Income	$ 352,994	$ (1,486,428)	$ (1,476,466)	$ (356,034)	$ (2,244,17
Rate of Return */	5.75%	-27.68%	-27.60%	-7.16%	-49.5
CUSTOMER DATA					
One Way Units	32,930	32,060	26,884	24,013	51,98
Two Way Mobile Telephone Units	1,527	1,467	1,081	552	75

*/ Ratio of net operating income to net plant.
**/ Increase of One Way Units over previous year is due to reclassification made in 1989 by MobilComm of Memphis, Telepage of Nashville, and Telepage of Tennessee.

The following seven pages are a list of major activities which required extensive investigation by the Commission's auditors during 1989 and 1990.

COMPANY	DOCKET	ASSIGNMENT	STATUS AT 12/31/90
RATE INCREASES:			
CHATTANOOGA GAS	88-01363	RATE CASE	CLOSED
RAYON CITY WATER	89-04490	RATE CASE	CLOSED
UNITED CITIES GAS	89-10017	RATE CASE	CLOSED
NASHVILLE GAS	89-10491	RATE CASE	CLOSED
TENNESSEE WATER SVC.	89-11616	RATE CASE	CLOSED
TENNESSEE TELEPHONE	89-11698	EARNINGS REVIEW	CLOSED
TELLICO TELEPHONE	89-11699	EARNINGS REVIEW	CLOSED
CONCORD TELEPHONE	89-11700	EARNINGS REVIEW	CLOSED
TENNESSEE AMERICAN WTR.	89-15388	RATE CASE	CLOSED
GTE-SOUTH	90-01273	RATE CASE	CLOSED
ALLTEL TELEPHONE	90-02094	RATE CASE	CLOSED
MILLINGTON TELEPHONE	90-04321	EARNINGS REVIEW	CLOSED
KINGSPORT POWER	90-05735	RATE CASE	CLOSED
LORETTO TELEPHONE	90-07045	RATE CASE	PENDING
RATE DECREASES:			
ALLTEL TELEPHONE	U-88-7572	EARNINGS REVIEW	CLOSED
SOUTH CENTRAL BELL	U-88-7594	EARNINGS REVIEW	CLOSED
KINGSPORT POWER	89-02126	EARNINGS REVIEW	CLOSED
OOLTEWAH-COLLEGEDALE TELEPHONE	89-02321	EARNINGS REVIEW	CLOSED
PEOPLES TELEPHONE	89-02322	EARNINGS REVIEW	CLOSED
WEST TENNESSEE TELEPHONE	89-02323	EARNINGS REVIEW	CLOSED

COMPANY	DOCKET	ASSIGNMENT	STATUS AT 12/31/90
RATE DECREASES (CONT.):			
ALLTEL TELEPHONE	89-02324	EARNINGS REVIEW	CLOSED
CROCKETT TELEPHONE	89-02325	EARNINGS REVIEW	CLOSED
UNITED TELEPHONE	89-03276	EARNINGS REVIEW	CLOSED
LORETTO TELEPHONE	89-03277	EARNINGS REVIEW	CLOSED
ALL TELEPHONE COMPANIES, AT&T & MOBILPHONE	89-10383	RATE REDUCTION (ELIMINATION OF GROSS RECEIPTS TAX)	CLOSED
UNITED INTERMOUNTAIN TELEPHONE	89-11041	EARNINGS REVIEW	CLOSED
CLAIBORNE TELEPHONE	89-11980	EARNINGS REVIEW	CLOSED
UNITED TELEPHONE	89-15200	EARNINGS REVIEW	CLOSED
SOUTH CENTRAL BELL	90-05953	EARNINGS REVIEW	CLOSED
CLAIBORNE TELEPHONE	90-00006	EARNINGS REVIEW	PENDING
AT&T COMMUNICATIONS	90-07460	EARNINGS REVIEW	CLOSED
UNITED INTERMOUNTAIN	90-07832	EARNINGS REVIEW	PENDING
MISCELLANEOUS PROJECTS:			
PGA RULEMAKING	G-86-1	RULE CHANGE	CLOSED
UNITED CITIES GAS -SATURN PROJECT	U-86-7410	PETITION FOR SERVICE TO SATURN CORPORATION	CLOSED
AOS	U-88-7551	SHOWCAUSE FOR BILLING/COLLECTION TARIFFS	PENDING
ALL GAS COMPANIES	U-88-7590	DISPOSITION OF TAKE-OR-PAY LIABILITY FLOW THROUGH	CLOSED
CHATTANOOGA GAS	89-02579	SPECIAL CONTRACT TO TRANSPORT GAS	CLOSED

COMPANY	DOCKET	ASSIGNMENT	STATUS AT 12/31/90
MISCELLANEOUS PROJECTS (CONT.):			
UNITED CITIES GAS	89-04697	PETITION TO OFFSET MARGIN LOSSES	CLOSED
NASHVILLE GAS	90-02908	AMENDMENT OF SPOT GAS SAVINGS PROGRAM	CLOSED
CHATTANOOGA GAS	90-04992	TRANSPORT GAS TO ROCK TENN	CLOSED
NGC-FORD TRANSPORTATION	90-07401	BY PASS OF NASHVILLE GAS	PENDING
ARKANSAS POWER & LIGHT	90-07599	APP FOR SALE OF WASTE DISPOSAL FACILITY	CLOSED
TENNESSEE TELEPHONE	90-07904	AUTHORITY TO RECORD LUMP SUM DEPR	CLOSED
AT&T COMMUNICATIONS	DEPRECIATION STUDY		CLOSED
GTE-SOUTH	DEPRECIATION STUDY		CLOSED
DOT/PSC INSPECTION STATION	FEASIBILITY STUDY		CLOSED
METRO AREA & COUNTY WIDE CALLING	IMPLEMENTATION OF MAC		PENDING
NASHVILLE GAS	MANAGEMENT AUDIT		CLOSED
REGULATORY REFORM			PENDING
SOUTH CENTRAL BELL	DEPRECIATION STUDY		CLOSED
TECHNOLOGY DEPLOYMENT			PENDING
TELEPHONE ELECTRONICS COMMUNICATIONS	MANAGEMENT AUDIT		PENDING
TENNESSEE AMERICAN WATER	LEAD-LAG STUDY		CLOSED

COMPANY	DOCKET	ASSIGNMENT	STATUS AT 12/31/90
SPECIAL MULTISTATE AUDITS:			
BELL COMMUNICATION RESEARCH		DETERMINE REASONABLENESS OF EXPENSES	PENDING
BELLSOUTH CORPORATION		DETERMINE REASONABLENESS OF RELATED PARTY CHARGES	CLOSED
DOCKETED TARIFFS:			
UNITED CITIES GAS	89-02227	PERMITS PERIOD	CLOSED
UNITED INTERMOUNTAIN	89-02602	ADVANCED BUSINESS CONNECTION	CLOSED
SOUTH CENTRAL BELL	89-02740	RESTRUCTURED LIGHTGATE	CLOSED
SOUTH CENTRAL BELL	89-02829	PRIVATE LINE	CLOSED
SOUTH CENTRAL BELL	89-03681	VINTAGE ESSX	CLOSED
ALL TELEPHONE COMPANIES	89-03796	TENNESSEE DUAL PARTY RELAY	CLOSED
SOUTH CENTRAL BELL	89-04605	INTRALATA ONLY 800 SERVICE	CLOSED
US SPRINT COMMUNICATIONS	89-04627	VPN SERVICE	CLOSED
AT&T COMMUNICATIONS	89-09904	WITHDRAWS OBSOLETE PRE-DIVESTITURE OCP	CLOSED
SOUTH CENTRAL BELL	89-10616	MONTHLY CHARGE FOR OBSOLETE COMPLEX INSIDE WIRING	CLOSED
AT&T COMMUNICATIONS	89-11066	800 READYLINE	CLOSED
AT&T COMMUNICATIONS	89-11426	VOLUME DISCOUNTS FOR MEGACOM WATS	CLOSED
AT&T AND US SPRINT	89-11617	FTS 2000	CLOSED
ALL TELEPHONE COMPANIES	89-11624	FREE BLOCKING FOR 900 & 976 NUMBERS	CLOSED

COMPANY	DOCKET	ASSIGNMENT	STATUS AT 12/31/90
DOCKETED TARIFFS (CONT.):			
UNITED INTERMOUNTAIN	89-11726	DIGILINK & TRANSLINK	CLOSED
AT&T COMMUNICATIONS	89-12376	MULTIQUEST	CLOSED
UNITED TELEPHONE	89-14431	RECONNECT CHARGE FOR MULTI-EXCHANGE	CLOSED
SOUTH CENTRAL BELL	89-14862	PRESTIGE COMM. SERVICES & CUSTOM CALLING	CLOSED
SOUTH CENTRAL BELL	89-14898	INTRASTATE ACCESS	CLOSED
SOUTH CENTRAL BELL	89-15177	CUSTOMER NETWORK MGMT./ADMIN. MGMT	CLOSED
SOUTH CENTRAL BELL	89-15385	CCLC	CLOSED
MILLINGTON TELEPHONE	90-04321	RATE CHANGES	CLOSED
COMMUNICATIONS SERVICES	90-04432	NAME CHANGE	CLOSED
AT&T COMMUNICATIONS	90-05080	ACCUNET	CLOSED
SOUTH CENTRAL BELL	90-07195	ONA	PENDING
SOUTH CENTRAL BELL	90-08503	CCLC ADJUSTMENT	PENDING

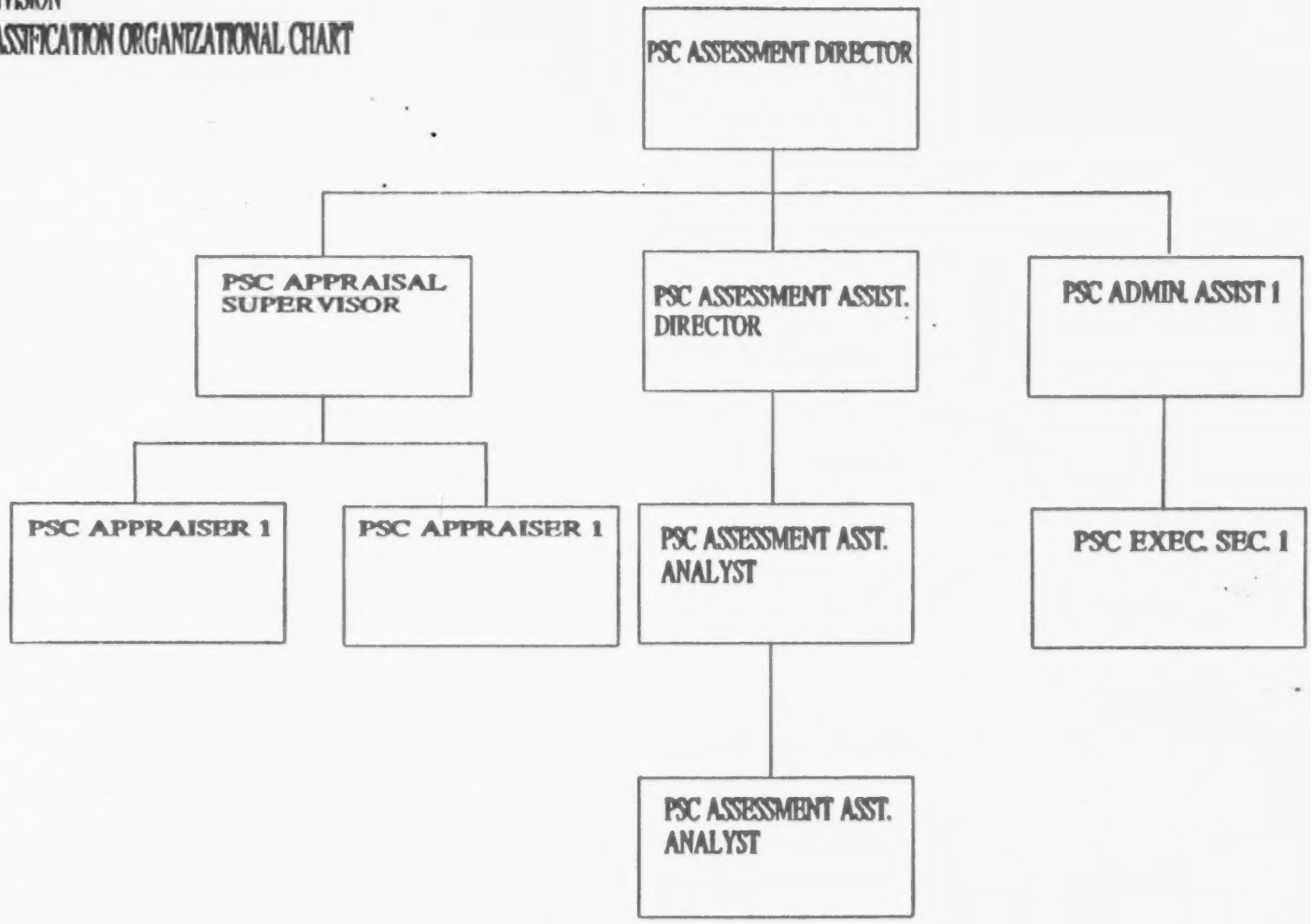
GENERAL TARIFF FILINGS:	1989	1990
CLOSED	259	247
PENDING	0	19

COMPLAINTS & INQUIRIES:	1989	1990
CLOSED	297	441
PENDING	0	7

COMPANY	DOCKET	ASSIGNMENT	STATUS AT 12/31/90
CCN'S:			
KEN GAS @ BYRDSTOWN	U-87-7509	CCN	CLOSED
KEN GAS @ JELLICO	U-87-7538	CCN	CLOSED
RIVIERA UTILITIES	U-87-7540	CCN	CLOSED
U.S. CENTRAL	U-87-7542	CCN AS RADIO COMMON CARRIER	PENDING
EAGLE CREEK RESORT UTILITY DISTRICT	U-87-7573	CCN	CLOSED
NEWPORT RESORT	U-88-7581	CCN	PENDING
TRI-CITIES GAS	88-00979	CCN	CLOSED
KEN GAS/JELLICO	89-02042	CCN	CLOSED
AMERICAN SATELLITE	89-02741	CCN	CLOSED
AT&T COMMUNICATIONS	89-11065	INTRALATA TELECOMM-UNICATIONS CCN	PENDING
MCI TELECOMMUNICATIONS	89-11735	INTRALATA TELECOMM-UNICATIONS CCN	PENDING
US SPRINT COMMUNICATIONS	89-12677	INTRALATA TELECOMM-UNICATIONS CCN	PENDING
DEADERICK PAGING, INC.	89-11215	CCN TO OPERATE AS RADIO COMMON CARRIER	
SPECTRATEL, A-1 COMMUNICATIONS, U.S. CENTRAL, MCCAW PAGING ONE, PAGING TENNESSEE, DIAL-A-PAGE, DEADERICK PAGING, MTEL PAGING, DIAL PAGE, & JACKSON MOBILPHONE	89-11234	CCN FOR 10 CARRIERS	PENDING
MTEL PAGING, INC.	89-11245	CCN	WITHDRAWN
FOOTHILLS PROPERTY	90-02584	CCN	PENDING
AQUA UTILITIES	90-04334	CCN	CLOSED
JBS OPERATING	90-05975	CCN	PENDING
RBS GAS UTILITY	90-06366	CCN	PENDING

COMPANY	ASSIGNMENT	STATUS AT 12/31/90
COMPLIANCE AUDITS:		
ALLTEL OF TENNESSEE	COMPLIANCE AUDIT	CLOSED
BELLSOUTH CORPORATION	AFFILIATED CHARGES	CLOSED
CENTURY TELEPHONE ENTERPRISES	AFFILIATED CHARGES	PENDING
CHATTANOOGA GAS	COMPLIANCE AUDIT	CLOSED
CHATTANOOGA GAS	PGA AUDIT	PENDING
CONTRIBUTIONS IN AID OF CONSTRUCTION	ACCOUNTING REVISION	CLOSED
FINANCIAL INTEGRITY ACT	INTERNAL AUDIT	PENDING
GTE OF THE SOUTH	COMPLIANCE AUDIT	PENDING
MILLINGTON TELEPHONE	COMPLIANCE AUDIT	CLOSED
NASHVILLE GAS	PGA AUDIT	CLOSED
[illegible]TEWAH-COLLEGEDALE [illegible]EPHONE	COMPLIANCE AUDIT	CLOSED
TENNESSEE AMERICAN WATER	COMPLIANCE AUDIT	CLOSED
TENNESSEE TELEPHONE	COMPLIANCE AUDIT	CLOSED
UNITED CITIES GAS	PGA AUDIT	CLOSED
UNITED TELECOMMUNICATIONS, INC.	AFFILIATED CHARGES	CLOSED

TENNESSEE PUBLIC SERVICE COMMISSION
ASSESSMENT DIVISION
EMPLOYEE CLASSIFICATION ORGANIZATIONAL CHART
01/07/91



ASSESSMENT DIVISION

Barry Murphy
Director

The Assessment Division (hereinafter referred to as Division) is responsible for the annual appraisal and assessment of all public utility and transportation properties of every description, tangible and intangible, owned by and all personal property used, and/or leased by said companies. Assessments are determined in accordance with specific laws pertaining to each individual company classification as found in Tennessee Code Annotated (hereinafter referred to as TCA) 67-5-501.

Currently, utility properties are assessed at 55% and properties of railroads, airlines, motor carrier and motor bus companies, private car companies, cellular telephone companies, mobilphone companies, and telephone companies with property used predominantly to provide long distance telephone service are assessed at 40% on real property and assessed 30% on personal property.

The Division is statutorily required to certify its assessments to the Commission on or before the first Monday in August each year, at which time companies may appear to argue the assessed value determined by the Division. After the hearing before the Commission, the Division is required by TCA 67-5-1328 to file these assessments with the Tennessee State Board of Equalization (hereinafter referred to as SBOE) for review and final valuation. All companies assessed by the Division have the option to appeal their assessment to the SBOE. The SBOE has full authority to change any assessment (whether it be an increase or decrease) as deemed appropriate.

The Division currently assesses:

Type of Company	Number
Trucking Companies	1155
Railroad Companies	23
Bus Companies	98
Private Car Companies	229
Airline Companies	23
Barge Line Companies	15
Mobilphone Companies	11
Pipeline Companies	17
Electric Cooperative Companies	25
Telegraph Company	1
Long Distance Companies	22
Tele. Cooperative Companies	10
Telephone Companies	18
Water & Sewerage Companies	15
Gas Companies	5
Electric Companies	3
Power Transmission Companies	3
Cellular Telephone Companies	11
TOTAL	1684

A chart showing the relative distribution of these companies follows this narrative introduction.

The Division has seen many challenges to the assessment of public utility and transportation property since the Railroad Revitalization and Regulatory Reform Act (4-R Act) of 1976, the Motor Carrier Transportation Act of 1980, and the Tax Equity & Fiscal Responsibility Act of 1982. These acts have basically argued that transportation company's property should not be assessed at a higher value than other locally assessed property. In 1977, Honorable Judge L. Clure Morton, presiding judge for the United States District Court for Middle Tennessee, Nashville Division ruled that the Division's assessments should be equalized on a county-by-county basis using a ratio factor determined by the SBOE. Application of equalization continues today as American Airlines, Inc., Delta Airlines, Inc., Federal Express Corporation, and Northwest Airlines, Inc. argue that locally assessed property is undervalued compared with the Division's appraisals.

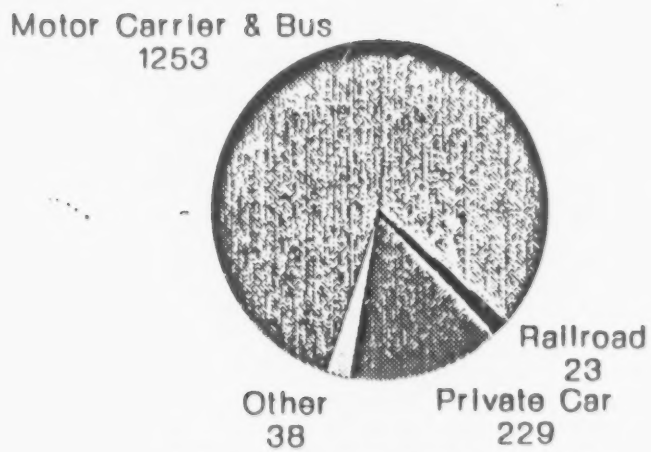
Utility and transportation companies continue to be affected by mergers, acquisitions, diversifications, and legislative changes which have served to intensify the professionalism of the assessment profession. The year 1990 will see the licensing and certification of appraisers in Tennessee become law. To the greatest extent possible, the Division is preparing its employees to meet the new challenges of property valuation by pursuing educational opportunities offered by The International Association of Assessing Officers, The Appraisal Institute, The National Association of Tax Administrators, The Tennessee Association of Assessing Officers, and The Southern Association of State Property Tax Administrators. The Division also participates in the National Conference on Unit Valuation Standards. This organization is comprised of State Administrators with the goal of developing uniform standards for the valuation of public utility and transportation properties. These organizations provide the nationally recognized expertise to conduct schools, workshops, seminars, and conferences.

Presently the Division staff consists of two (2) Certified Assessment Evaluators (CAE), (the highest professional appraisal/assessment designation offered by the International Association of Assessing Officers), and one Senior Real Property Appraiser (SRPA), (one of the highest professional designations offered by the former Society of Real Estate Appraisers, now a part of the Appraisal Institute). Other are actively pursuing their professional designation through the aforementioned educational opportunities.

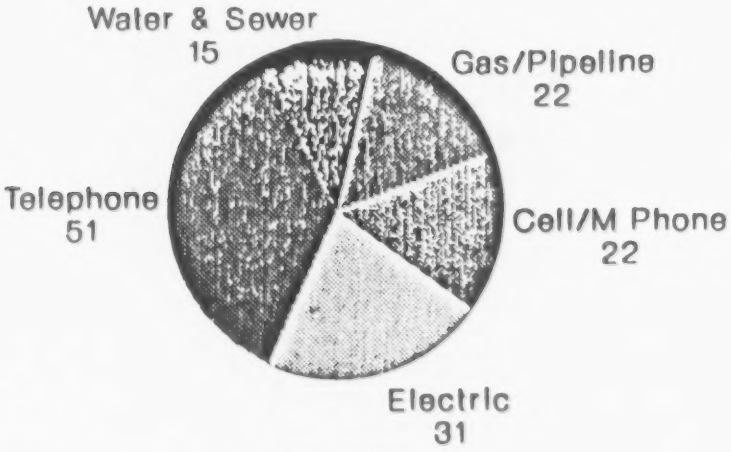
The Division's Director of Assessments was elected to the International Association of Assessing Officer's Executive Board in the late Fall of 1990. The position on the Executive Board entails the whole spectrum of the appraisal and assessment standards to include: professional assessment practice, elevating the educational awareness to the general public of matters relating to assessment practice, and promoting justice and equality in the distribution of the property tax.

The Division's Assistant Director of Assessments currently serves on the planning committee for The Wichita State University's annual workshop for the appraisal of public utilities and railroads for ad valorem taxation. The responsibility includes the development of meaningful programs and speakers for the workshop as well as presenting a prepared paper himself.

ASSESSMENTS BY MAJOR GROUPINGS FOR 1990 (1684 TOTAL COMPANIES)



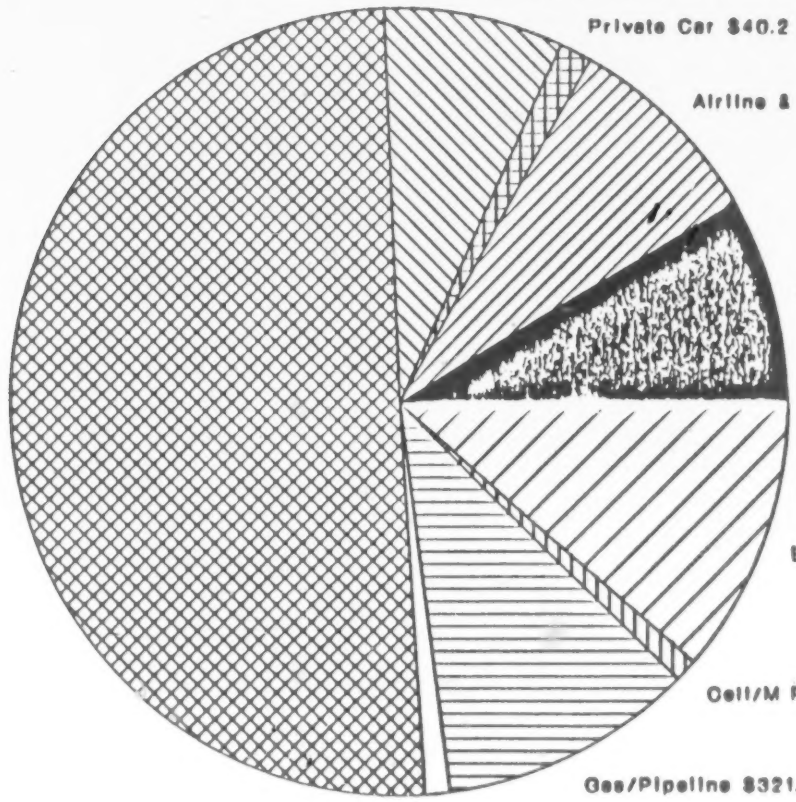
TRANSPORTATION



UTILITY

Other includes:
Airline & Barge Line

1990 ASSESSMENTS BY MAJOR GROUPINGS UNDER NORMAL CONDITIONS (MILLIONS)



Unequalized

1989 AD VALOREM ASSESSMENT

ASSESSMENTS BY CLASSES OF PROPERTY ASSESSED FOR TAXATION PURPOSES IN TENNESSEE BY THE TENNESSEE PUBLIC SERVICE COMMISSION FOR THE YEAR 1989 ARE AS FOLLOWS:

AIRLINE COMPANIES	$ 132,976,184
BARGE LINE COMPANIES	2,504,170
ELECTRIC COOPERATIVE COMPANIES	247,896,160
ELECTRIC COMPANIES	18,157,710
LONG DISTANCE TELEPHONE COMPANIES	84,106,710
GAS COMPANIES	83,678,500
BUS COMPANIES	4,132,819
TRUCK COMPANIES	171,925,580
MOBILPHONE COMPANIES	2,780,790
PRIVATE CAR COMPANIES	32,413,490
PIPELINE COMPANIES	176,448,910
POWER TRANSMISSION COMPANIES	21,164,240
RAILROAD COMPANIES	183,809,457
TELEPHONE COOPERATIVE COMPANIES	65,549,100
TELEGRAPH COMPANY	1,254,950
TELEPHONE COMPANIES	1,083,783,110
WATER & SEWERAGE COMPANIES	31,771,110
CELLULAR RADIO TELEPHONE COMPANIES	17,574,770
GRAND TOTAL	$2,361,927,760

1990 AD VALOREM ASSESSMENT

ASSESSMENTS BY CLASSES OF PROPERTY ASSESSED FOR TAXATION PURPOSES IN TENNESSEE BY THE TENNESSEE PUBLIC SERVICE COMMISSION FOR THE YEAR 1990 ARE AS FOLLOWS:

AIRLINE COMPANIES	$ 29,074,290
BARGE LINE COMPANIES	789,550
ELECTRIC COOPERATIVE COMPANIES	276,338,760
ELECTRIC COMPANIES	18,769,490
LONG DISTANCE TELEPHONE COMPANIES	95,310,730
GAS COMPANIES	96,346,210
BUS COMPANIES	4,399,885
TRUCK COMPANIES	212,128,713
MOBILPHONE COMPANIES	3,179,020
PRIVATE CAR COMPANIES	34,494,030
PIPELINE COMPANIES	181,244,150
POWER TRANSMISSION COMPANIES	20,744,510
RAILROAD COMPANIES	198,245,018
TELEPHONE COOPERATIVE COMPANIES	75,996,920
TELEGRAPH COMPANY	1,008,090
TELEPHONE COMPANIES	1,125,985,070
WATER & SEWERAGE COMPANIES	31,996,593
CELLULAR RADIO TELEPHONE COMPANIES	20,451,260
GRAND TOTAL	$2,430,502,289

THE TENNESSEE PUBLIC SERVICE COMMISSION
ASSESSMENTS FROM 1877 THROUGH 1990

1877-78	Railroads	$ 13,757,106
1879-80	Railroads	16,375,894
1881-82	Railroads	27,016,100
1883-84	Railroads	31,547,292
1885-86	Railroads	31,547,582
1887-88	Railroads	32,290,302
1889-90	Railroads	43,789,708
1891-92	Railroads	38,341,489
1893-94	Railroads	40,703,846
1895-96	Railroads-Utilities	40,446,368
1897-98	Railroads-Utilities	50,546,129
1899-1900	Railroads-Utilities	56,546,129
1901-02	Railroads-Utilities	58,327,299
1903-04	Railroads-Utilities	60,602,713
1905-06	Railroads-Utilities	71,968,432
1907-08	Railroads-Utilities	87,047,270
1909-10	Railroads-Utilities	91,850,925
1913-14	Railroads-Utilities	111,757,070
1915-16	Railroads-Utilities	115,298,043
1917-18	Railroads-Utilities	122,283,135
1919	Railroads-Utilities	132,446,120
1920-21	Railroads-Utilities	272,859,649
1921-22	Railroads-Utilities	246,693,638
1923-24	Railroads-Utilities	255,576,487
1925-26	Railroads-Utilities	272,124,248
1927-28	Railroads-Utilities	284,441,186
1929-30	Railroads-Utilities	269,262,250
1931	Railroads-Utilities	286,834,959
1932-33	Railroads-Utilities-Motor Carriers	264,979,409
1934-35	Railroads-Utilities-Motor Carriers	252,378,707
1936-37	Railroads-Utilities-Motor Carriers	250,762,478
1938-39	Railroads-Utilities-Motor Carriers	266,115,405
1940-41	Railroads-Utilities-Motor Carriers	181,373,956
1942-43	Railroads-Utilities-Motor Carriers	198,132,778
1944	Railroads-Utilities-Motor Carriers	238,642,162
1945-46	Railroads-Utilities-Motor Carriers	318,458,325
1947-48	Railroads-Utilities-Motor Carriers	351,037,699
1949-50	Railroads-Utilities-Motor Carriers	344,902,221
1951-52	Railroads-Utilities-Motor Carriers	384,792,690
1953-54	Railroads-Utilities-Motor Carriers	428,352,790
1955-56	Railroads-Utilities-Motor Carriers	477,778,159
1957-58	Railroads-Utilities-Motor Carriers	501,931,299
1959-60	Railroads-Utilities-Motor Carriers	523,228,433
1961-62	Railroads-Utilities-Motor Carriers	542,202,731
1963-64	Railroads-Utilities-Motor Carriers	594,685,359
1965-66	Railroads-Utilities-Motor Carriers	630,946,875
1967	Railroads-Utilities-Motor Carriers	646,942,292
1968	Railroads-Utilities-Motor Carriers	655,974,495
1969	Railroads-Utilities-Motor Carriers	715,111,650
1970	Railroads-Utilities-Motor Carriers	781,076,650

1971	Railroads-Utilities-Motor Carriers	858,981,530	
1972	Railroads-Utilities-Motor Carriers	952,649,190	
1973	Railroads-Utilities-Motor Carriers	1,247,618,300	
1974	Railroads-Utilities-Motor Carriers	1,355,337,500	
1975	Railroads-Utilities-Motor Carriers	1,461,910,400	
1976	Railroads-Utilities-Motor Carriers	1,544,333,200	
1977	Railroads-Utilities-Motor Carriers	1,318,596,498	
1978	Railroads-Utilities-Motor Carriers	1,303,085,502	
1979	Railroads-Utilities-Motor Carriers	1,261,372,484	
1980	Railroads-Utilities-Motor Carriers	1,478,530,645	
1981	Railroads-Utilities-Motor Carriers	1,383,758,500	
1982	Railroads-Utilities-Motor Carriers	1,485,236,811	(A)
1983	Railroads-Utilities-Motor Carriers	1,770,085,812	(B)
1984	Railroads-Utilities-Motor Carriers	1,921,142,687	
1985	Railroads-Utilities-Motor Carriers	1,907,921,249	
1986	Railroads-Utilities-Motor Carriers	2,082,827,171	
1987	Railroads-Utilities-Motor Carriers	2,116,445,567	
1988	Railroads-Utilities-Motor Carriers	2,278,173,215	
1989	Railroads-Utilities-Motor Carriers	2,361,927,760	(C)
1990	Railroads-Utilities-Motor Carriers	2,430,502,289	(D)

Notes: Since 1977 the State Board of Equalization ordered all assessments to be equalized on a county-by-county basis.

A. This figure does not include the personal property assessments for four (4) counties (Cannon, Lauderdale, Sevier & White) in which the State Board of Equalization has ordered this Commission to exempt the tangible personal property assessment for railroad, private car, motor carrier, motor bus and airline companies in the above named counties.

B. This figure does not include the personal property assessments for three (3) counties (Cannon, Sevier & White) and one (1) town (town of Henning) in which the State Board of Equalization has ordered this Commission to exempt the tangible personal property assessment for railroad, private car, motor carrier, motor bus and airline companies in the above named counties.

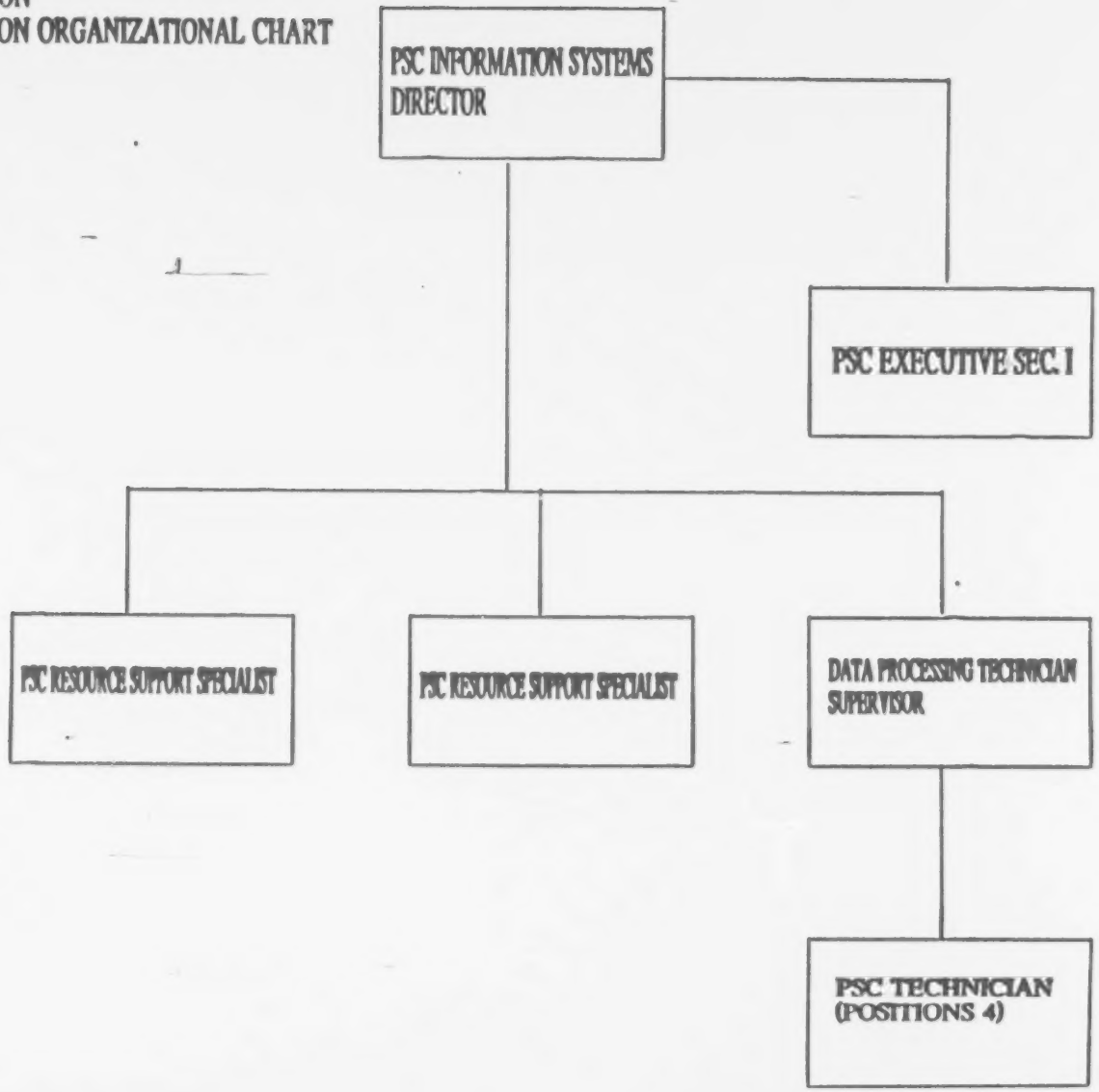
C. This figure includes an assessment for Norfolk Southern Combined Railroad Subsidiaries which is currently under appeal to the Honorable Judge James Todd in the United States District Court, Western District of Tennessee, Eastern Division. the argument in the case is one of equalization in which Norfolk Southern alleges that the company's personal property is over appraised in comparison to locally appraised commercial and industrial personal property. The company requests that the assessment be reduced by an additional 34.6%.

The assessments for long distance telephone companies, cellular radio telephone companies, mobilphone companies, and telephone companies property used predominantly to provide telephone long distance service had their levels of assessment for personal property changed from 55% to 30%.

D. This figure does not include the assessments for: American Airlines, Inc., Delta Air Lines, Inc., Federal Express Corporation, and

Northwest Airlines, Inc. There companies have filed an appeal with the State Board of Equalization requesting that their personal property be equalized down to a level yet to be determined as representative of locally assessed commercial and industrial personal property.

TENNESSEE PUBLIC SERVICE COMMISSION
DATA PROCESSING DIVISION
EMPLOYEE CLASSIFICATION ORGANIZATIONAL CHART
07/24/90


PSC INFORMATION SYSTEMS DIRECTOR
PSC EXECUTIVE SEC. I
PSC RESOURCE SUPPORT SPECIALIST
PSC RESOURCE SUPPORT SPECIALIST
DATA PROCESSING TECHNICIAN SUPERVISOR
PSC TECHNICIAN (POSITIONS 4)

Data Processing Division
Anita Clark
Director

The Data Processing Division consists of a Director, two Information System Resource Specialist IIs, a PSC Technician Supervisor, an Executive Secretary I, and four PSC Technician IIs. The Division is charged with the effective and efficient management of agency-wide automated information resources and the development and implementation of systems which support the Commission's objectives. Some basic responsibilities are as follows:

1. Establishes Commission Data Processing Policies and Procedures: The Division is involved in determining DP policies and operational procedures in the areas of information system management, security, and disaster recovery.

2. Development Of the 3-Year Information System Plan and the Annual Resource Plan: Primarily forecasting documents, the plans detail management strategies, budgetary projections, project descriptions, and estimated expenditures as they relate to the overall management of the Commission's information resources.

3. Microcomputer User Support: Division performs user information resource support in many areas; to include hardware maintenance, the handling of software questions, and the production of various graphic documents.

4. Evaluates Microcomputer Hardware and Software: The Division examines hardware and software available for procurement and analyzes their probability of meeting a data processing need. Decides and justifies particular hardware configurations and software purchases for all divisions.

5. Develops and Upgrades In-House Microcomputer Data Base Management Systems: The Division takes requests from agency personnel to automate manual business functions or to upgrade existing microcomputer applications. After initial approval, DP personnel perform in-depth analysis, document application requirements, and develop or upgrade the PC-based data management systems as requested.

6. Maintains Microcomputer Hardware and Software Inventory: Utilizing a PC-based system, the division maintains an inventory of all microcomputer equipment (hardware and software) assigned throughout the Commission, or as of yet unassigned. The inventory records the location, personnel assigned to, serial number, equipment type, and initial order number.

7. Monitors and Supervises the Operation Of Mainframe Applications: The Division approves and acts as liaison on all service requests to modify any aspect of the three PSC mainframe applications and on system specification reviews. Additionally, Mainframe

USERIDs and transaction profiles are maintained on all agency employees. As the applications are utilized on a daily basis the division is constantly involved in production reviews and the resolution of any operational problems.

8. Training: The Division conducts training on the WATCH/COMPLIANCE State mainframe system and coordinates microcomputer training with the Commission's training coordinator. Annual estimates are made on the number of classes to be requested from the State Informations Resources Training Division or outside resources.

9. Accounts Receivable: The Data Entry Section posts about 95% of the Commission's daily revenues on the WATCH mainframe system. These daily revenues range from motor carrier inspection stamp fees to utility and motor carrier inspection stamp fees to utility and Motor Carrier petitions to intervene. Accounts are balanced on a daily basis and related paperwork is distributed to appropriate divisions. As mentioned previously, the PSC has three mainframe systems; WATCH, Compliance, and Assessment.

10. Data Entry: The Data Entry Section is the primary entry point for about 70% of the Commission's regulatory data, thus maintaining centralized control over the add/change of data. Audits are performed on a periodic basis

11. Conducts Monthly Review of System Billing: On a monthly basis the Division Director reviews State Mainframe billing invoices for system support and actual operation costs. The primary focus is on the association of existent resources with the detailed billing categories.

12. Maintains Mainframe Resources Inventory and Monitors In-House Installation/Maintenance Requirements: The Division is required to inventory all mainframe equipment leased from the State, to forecast and request wiring requirements in conjunction with additional resources, and prior to notifying the State of a maintenance requirement to conduct user troubleshooting on inoperable equipment.

13. Committee Membership: In 1989-90 DP Division personnel were participating members in the State of Tennessee Information System Management (ISM) Group, and in 1990 the Director was elected to represent small agencies for a one-year term on the ISM Steering Committee. Other members of the Data Processing staff are members of state related groups, i.e. one of the Resource Specialists is a a member of the State PC Group and the Executive Secretary represents the PSC at the Microsoft User's Group meetings. The Director is also a member of the National Association of Regulatory Commissioners Subcommittee on Computers.

The WATCH system automates the major business functions of the Commission, approximately 90%. The system not only tracks regulated companies and associated filings, but cross references filing and inspection fees, resulting in an extensive accounts receivables subsystem. The Compliance system requires all

inspection site motor carrier officers to enter safety inspection data. In turn, the system generates a Compliance Check and any required citations. Through on-line inquiry, it also provides a variety of information about inspections, bonds collected, court appearances, and statistics. The Assessment System assists the Assessment Division in calculating the ad valorem taxation on property owned or leased by companies under the Commission's jurisdiction.

The microcomputer is used extensively throughout the Commission, whether for word processing or statistical analysis, or information management. Various in-house applications have been developed to support specific user requests, such as officer performance evaluation, equipment/vehicle inventory, railroad bridge inspections, employee leave tracking, supply inventory, Internal Action Request monitoring, and hardware/software inventories.

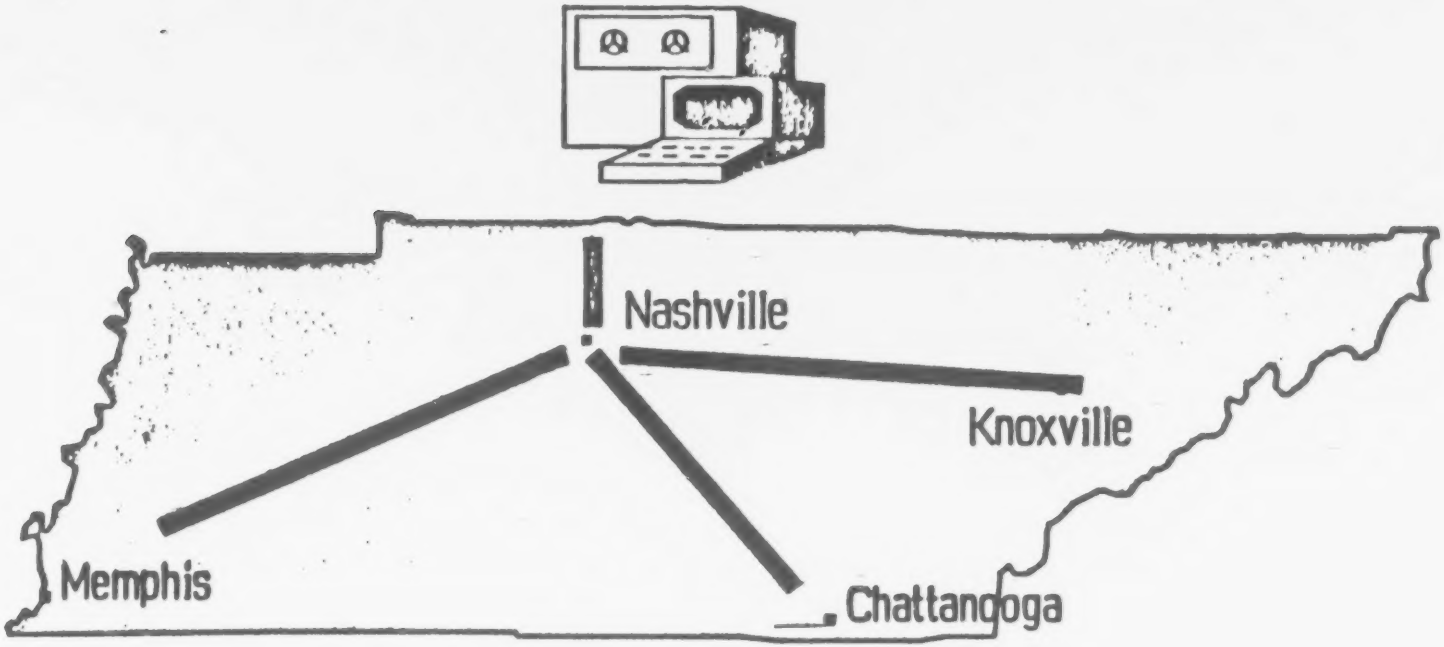
Policies and Standards are developed by the Data Processing Division. Microsoft WORD (word processing), Symphony (spreadsheet), Rbase (data base management) have been established as agency standards. An important policy, which monitors the purchase of software and hardware items, is that all computer-related requests for purchase must be approved by the Data Processing Director. The Division has developed the policy and established inventory space to maintain complete control of original diskettes from purchase to installation to storage.

Specific policies are in place for the Data Entry Section with the completion of a Section procedures manual scheduled for April, 1991. In conjunction a Division Procedure Manual is being developed incorporating the duties of the resource specialists and any system management procedures.

Agency-wide policies which are in place deal with data protection, data security and requests for hardware and software. There are plans to incorporate the microcomputer policies into a PSC Microcomputer Policy Manual with emphasis on the acquisition and use of microcomputer equipment, programming and software.

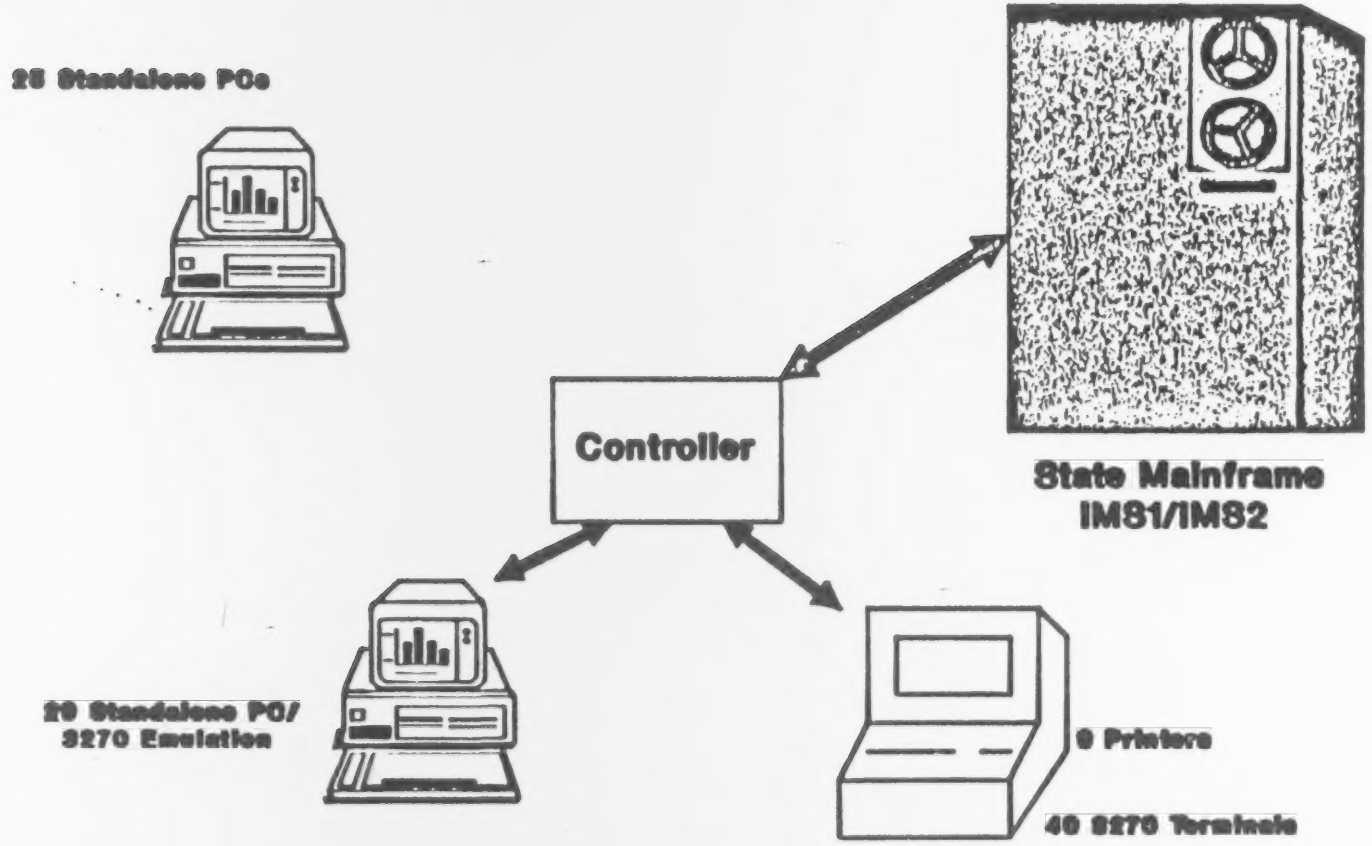
The Commission's hardware inventory continues to grow. Currently there are 55 microcomputer configurations, one HP plotter, one heavy volume laser printer, 40 CRTs, and nine mainframe printers available. The PSC accesses the state mainframe through CRTs and microcomputer 3270 emulation. This is prevalent throughout the Commission and its remote enforcement scales sites.

REMOTE COMMUNICATIONS



* Each Remote Site has two buildings, each equipped with a Controller, Printer, and 2 or 3 CRTs. This totals 8 Printers 8 Controllers, and 17 CRTs for PSC Remote Communications.

Tn Public Service Commission
Equipment Configuration



ECONOMIST

Christopher C. Klein, Ph.D.

The Economist provides economic and statistical analyses of issues before the Commission or of interest to any of its Divisions. The Economist's primary responsibilities include: (1) Cost of capital analysis of utilities in rate cases and earnings reviews; (2) Review of utilities' requests for approval of new issues of financial securities; (3) Management of the Commission's Student Internship Program in conjunction with Middle Tennessee State University; (4) Development and execution of long-term economic or statistical research projects relating to the Commission's mission. The execution of these responsibilities results in formal testimony in contested proceedings, utility securities issues approved or denied, consultations with Commission staff, student internship projects completed, research papers published, and presentations to conferences or other groups. Data on these items are provided below for the calendar year 1990.

In the fall of 1990, the Economist also taught one section of "Microeconomics for Decision Making" under contract to Middle Tennessee State University.

1990 Rate Case Testimony

Company	Docket	Issues	12/31/90 Status
GTE South	90-01273	Cost of Capital	Closed
South Central Bell	90-05953	Cost of Capital	Closed
Kingsport Power Co.	90-05735	Cost of Capital Rate Design	Closed
AT&T	90-07460	Cost of Capital	Closed
United Inter-mountain	90-07832	Cost of Capital	Pending

1990 Miscellaneous Testimony

Company	Docket	Issues	12/31/90 Status
Bell Operating Companies	FCC 89-624	Represcribing the Authorized Rate of Return for Interstate Services of Local Exchange Carriers	On Appeal
AT&T MCI U S Sprint	89-11065 89-11735 89-12677	Applications for IntraLATA Certificates	Pending
L & L Trucking	90-03514 90-04786	Statistical Analysis of Motor Carrier Safety Records	Pending

1990 New Issues of Utility Securities Title	Docket	12/31/90 Status
Amended Petition of GTE South for Authority to Issue and Sell First Mortgage Bonds and/or Promissory Notes in an Amount up to $200,000,000.00	90-03015	Approved
Application of Kentucky Utilities for an Order Authorizing the Issue of Securities	90-04693	Approved
Petition of Tennessee-American Water Company for Authority to Issue and Sell $5,000,000.00 of First Mortgage Bonds and $2,500,000.00 of Common Stock	90-05946	Approved
Application of Kingsport Power Company for Permission to Make Notes to Evidence Indebtedness Not to Exceed $2,000,000.00	90-06165	Approved
Application of Arkansas Power & Light for Authority to Issue and Sell not more than $250,000,000.00 of First Mortgage Bonds and not more than $100,000,000.00 of Preferred Stock	90-06043	Approved
Application of Arkansas Power & Light Regarding the Sale and Repurchase of Certain Solid Waste Disposal and Other Facilities	90-07599	Approved

1990 Consultations Title	Docket	Issues	12/31/90 Status
Tennessee-American Water Co.	89-15388	Cost of Capital	Closed
Generic Gas Docket	G-86-1	Gas Supply Practices	Closed
Public Pay Telephones	89-15387	Rulemaking	Closed
Claiborne Tel.	90-00006	Cost of Capital	Pending
Loretto Tel.	90-07045	Cost of Capital	Pending
Regulatory Reform			Pending

Motor Carrier Safety Rating System	Pending
Audit of Motor Carriers with Statewide Authority	Closed

1990 Statistical Analyses

Issue	Division
Trends in Monthly Collections of Motor Carrier Enforcement Fees	Executive Director
Evaluating the Point System for Motor Carrier Safety Inspection Officers	Transportation

1990 Student Internship Projects Completed

Motor Carrier Rate Discounting, Safety Performance, and Financial Health

Subsidiary Debt and Double Leverage

Gas Unaccounted-for and Pipe Quality in Tennessee Natural Gas Distribution Operations

Calculating Ramsey Prices for Natural Gas Distribution Utilities

The Effect of Double Leverage on Utility Capital Structures

1990 Presentations

"Seminar on Sham Litigation," Federal Trade Commission, Washington, DC, February 28, 1990.

"Funding Research and Development in Regulated Markets: The Case of Bell Communications Research," Ninth Annual Conference of the Advanced Workshop in Regulation and Public Utility Economics, New Paltz, NY, June 1, 1990.

"Ramsey Prices for Natural Gas Distribution Utilities," and
"Intervention as Entry Deterrence: Evidence from Sham Litigation Cases," Seventh NARUC Biennial Regulatory Information Conference, Columbus, OH, September 13, 1990.

"Issues in Public Utility Regulation," Management 452: Economic, Social and Legal Environment of Business, Owen Graduate School of Management, Vanderbilt University, Nashville, TN, October 24, 1990.

"Research and Development in Regulated Markets: The Case of Bell Communications Research,"
and
"Incentives for Trial and Settlement in Sham Litigation," Southern Economic Association Annual Meeting, New Orleans, LA, November 18-20, 1990.

1990 Papers Published

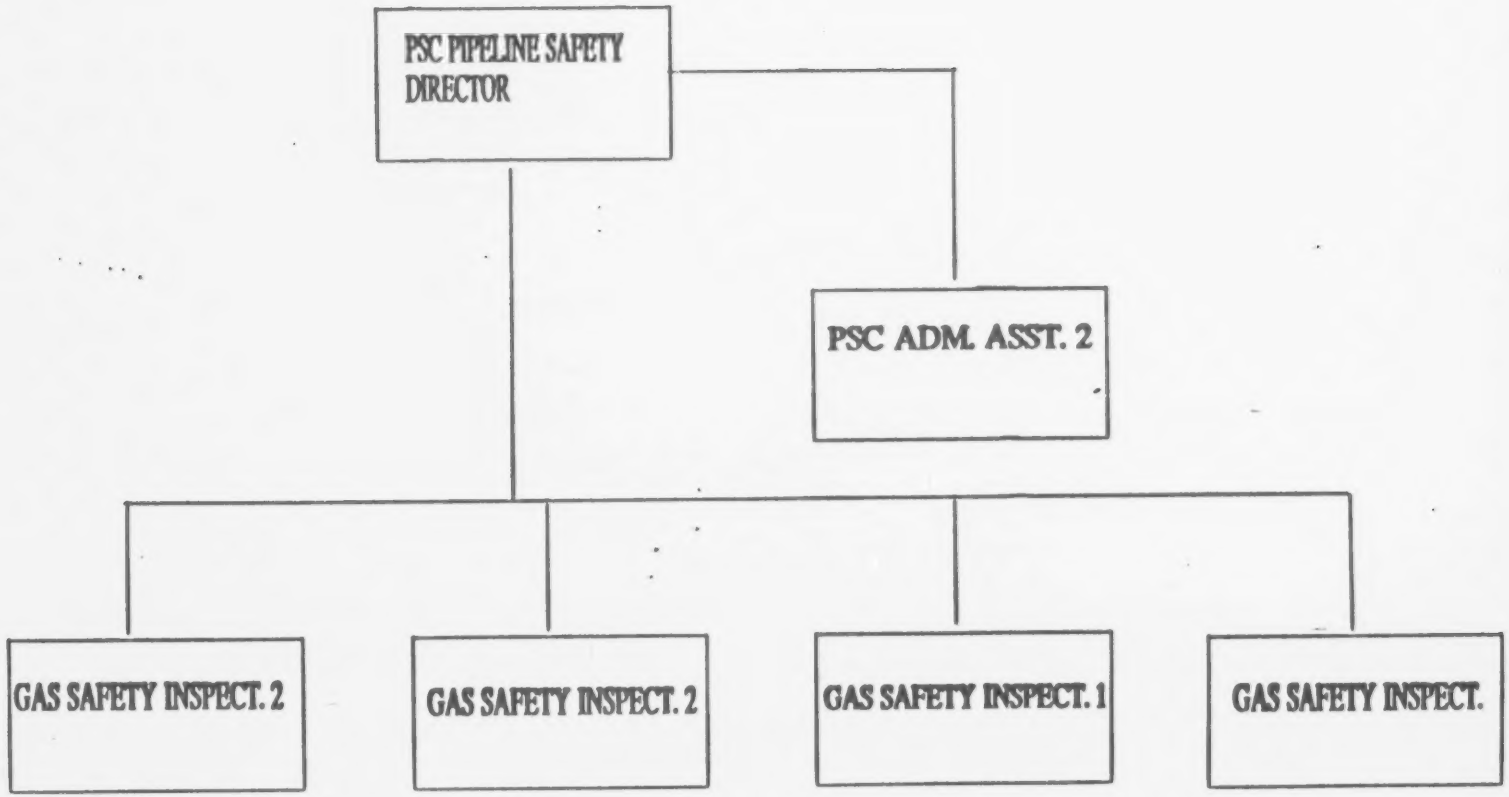
"Predation in the Courts: Legal vs. Economic Reasoning in Sham Litigation Cases," International Review of Law and Economics, June 1990.

"Double Leverage and Strategic Financing Decisions," NRRI Quarterly Bulletin, September 1990.

Book Review:Crandall and Flamm, eds. Changing the Rules: Technological Change, International Competition, and Regulation in Telecommunications (Brookings 1989), Review of Industrial Organization, Fall 1990.

"Ramsey Prices for Natural Gas Distribution Utilities,"
and
"Intervention as Entry Deterrence: Evidence from Sham Litigation Cases," Proceedings of the Seventh NARUC Biennial Regulatory Information Conference, 1990.

TENNESSEE PUBLIC SERVICE COMMISSION
GAS PIPELINE SAFETY DIVISION
EMPLOYEE CLASSIFICATION ORGANIZATIONAL CHART
07/30/90



GAS PIPELINE SAFETY DIVISION

Glynn Blanton
Director

The Gas Pipeline Safety Division has the responsibility of ensuring that the public receives from the natural gas companies a viable and safe transportation system of natural gas from the "take point", or station off the interstate transmission line, to each customer's meter; providing general technical aid pertaining to utility rules and regulations by which all gas utilities must abide; maintaining information to interested parties on the safe operations of a gas distribution system, and providing protection to the public by requiring all natural gas operators to maintain their system in accordance with the Commission's pipeline safety standards.

Under a 5(a) Certification with the Federal Government, the Tennessee Public Service Commission has total safety jurisdiction over five investor-owned natural gas distribution companies:

Chattanooga Gas Company
Nashville Gas Company
United Cities Gas Company
Hardin County Gas Company
Jellico Gas Utility, Inc.

It also has jurisdiction over the following intrastate natural gas operators:

Intrastate Natural Gas Operators *

Municipally-owned Gas Systems	70
Housing Authorties	43
Apartment Complexes	18
Gas Utility Districts	18
Direct Sales Customers	17
Mobile Home Parks	10

* These gas systems provide service to three-quarters of a million residential customers who live and work in Tennessee and represent one-third of the state's energy needs.

The primary responsibilities of the Gas Pipeline Safety Division include:

1. Inspection Program:

A. Perform field inspections encompassing the design, construction, operation and maintenance of gas pipeline systems of operators facilities and

records to ensure compliance with Federal and State regulations. During 1989-90, the inspectors traveled over 223,000 miles and performed 754 separate field inspections. These records are maintained in the Gas Pipeline Safety Office.

2. Non-compliance Action:

Issue notice of violations for non-compliance of regulations. The Commission has authority to fine operators under its jurisdiction up to $1,000 per day for each day that such violation continues, except that the maximum civil penalty shall not exceed $200,000 for any continuing series of violations. The Gas Safety Inspectors found approximately 1168 safety or technical violations during 1989-90, and a civil penalty of $184,000 was levied and collected against a gas operator for ten violations. See attached chart.

3. Follow-up Program:

Follow-up inspections are scheduled to ensure corrective action of non-compliances has been taken or is underway. This type of inspection is routinely conducted sixty days after a violation or non-compliance has been issued.

4. Accident Investigation:

Investigate and determine the cause of major pipeline accidents/incidents which are reported to the Gas Pipeline Safety Division in accordance with Federal regulations. During 1989-90, 15 pipeline accidents/incidents were investigated by this division. These reports are often used in court cases and gas safety personnel testify on their findings.

5. Welder Qualification:

Gas pipeline welders are required to be qualified in the welding of material before they can work on gas pipelines. Our office, in cooperation with the State Vocational-Technical schools, administers welder qualification tests to all new and retested welders. Issuance of welder qualification cards to all welders who have passed the tests is part of our day-to-day function.

6. Record Keeping:

The Division is required to maintain financial documents in accordance with our 5(a) Certification with the U. S. Department of Transportation in Washington, D.C. Our program is reviewed and audited yearly to ensure it meets Federal guidelines and procedures for grant-in-aid funding.

7. Training:

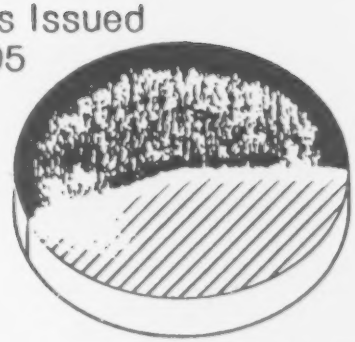
The Division, in conjunction with the Tennessee Gas Association, has sponsored numerous seminars and workshops which have benefitted all natural gas operators in Tennessee. In 1989-90, the gas safety inspectors attended courses at the Transportation Safety Institute in leak detection, joining of pipelines, cathodic protection, valve maintenance and other safety topics to keep abreast of technological advances in this industry. This institute is the only place in the United States which provides this training.

While the above elements are an essential part of the Commission's duties in connection with gas safety, the division is also involved in providing interpretations and information on the daily operations of a gas distribution system. This information is vital to their operation and maintenance function.

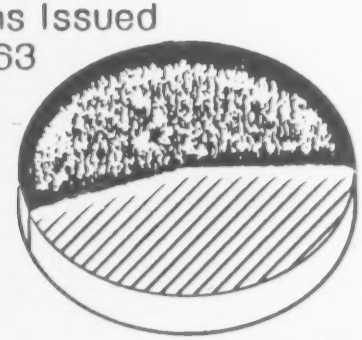
In 1989, the director was elected as Chairman of the National Association of Pipeline Safety Representatives for one year. This organization, made up of all pipeline safety program managers throughout the United States, recommends policy and debates technical issues pertaining to state funding and the Minimum Federal Safety Standards. The director is also a member of the National Association of Regulatory Utility Commissioners, Staff Subcommittee on Gas Pipeline Safety.

Although the Pipeline Safety Division is a small group consisting of highly qualified individuals, it is the only defense the public has to ensure gas pipelines and service lines are transporting natural gas safely for their use.

Gas Pipeline Safety
Non-Compliance Violations

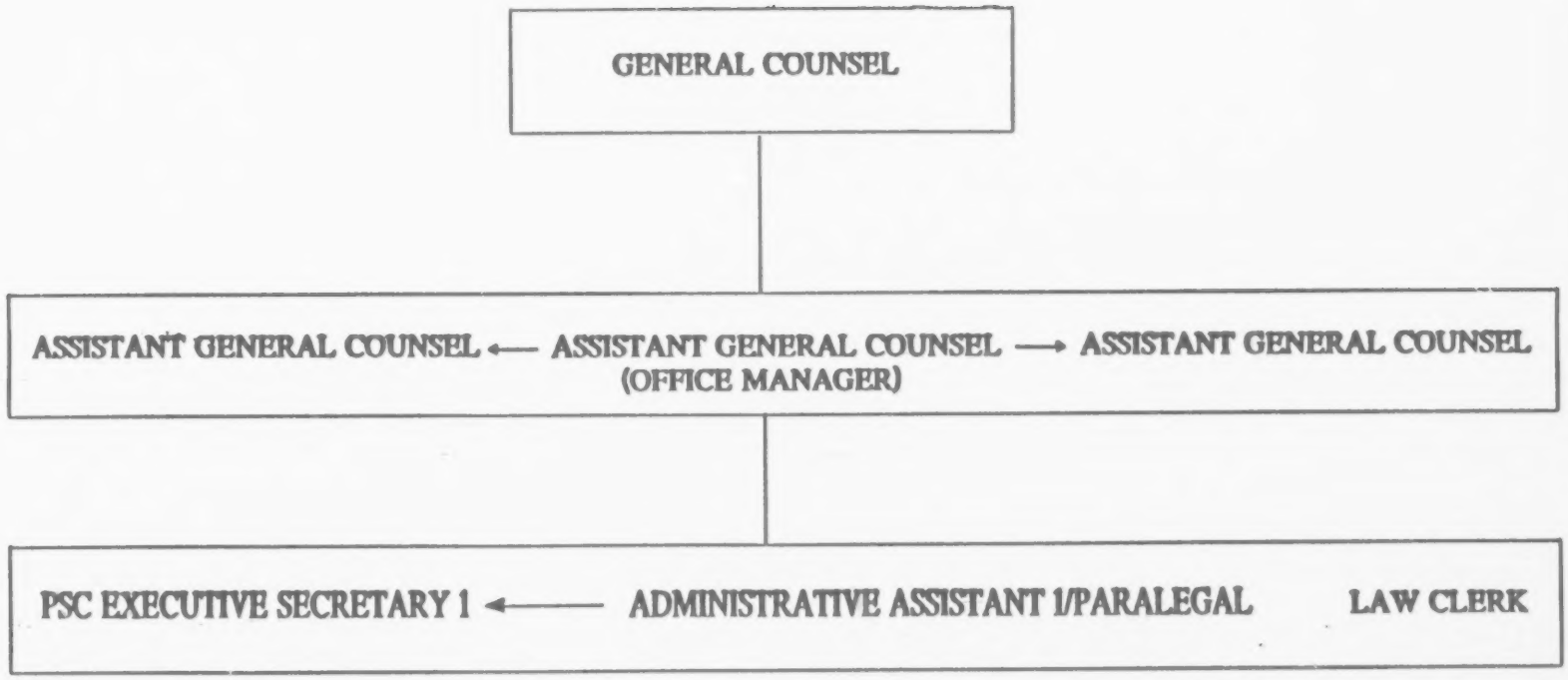


1989



1990

TENNESSEE PUBLIC SERVICE COMMISSION
LEGAL DIVISION
EMPLOYEE CLASSIFICATION ORGANIZATIONAL CHART
02/05/91



LEGAL DIVISION

Henry Walker
General Counsel

The Legal Division is charged with providing legal counsel for the Commission under the direction of the General Counsel and three Assistant General Counsels. The responsibilities of the division include the following:

(1) Representing the public interest in hearings before the Commission. A staff attorney participates in all hearings conducted by the Commission to represent the position of the "Commission Staff" which embodies the public interest. These hearings include applications for motor carrier and public utility authority, rate adjustments, complaints, enforcement proceedings, rulemaking and miscellaneous regulatory matters. The Legal Division works closely with other divisions in the Commission in developing the "Staff" position.

(2) Representing the public interest before other Regulatory Commissions and the Courts. Our staff attorneys represent the Commission and citizens of Tennessee in trials and appeals before state and federal courts and in administrative proceedings before the Federal Communications Commission, the Federal Energy Regulatory Commission, and the Interstate Commerce Commission. Staff attorneys also appear before the State Board of Equalization and the courts in defense of the ad valorem tax assessments established by the Commission.

(3) Legal advice to the Commission and its staff. The legal staff provides advise and counsel to the Commission and its staff concerning legal issues pertaining to regulatory matters as well as internal concerns such as personnel policies and procedures. The legal staff also takes initiative in recommending changes in Commission rules and policy as needed.

(4) Legal Opinions and general information to the public. Legal opinions and information regarding regulatory interpretations and procedure are made available to the general public and parties appearing before the Commission.

(5) Legislative Representation. A staff attorney represents the Commission in legislative proceedings in the Tennessee General Assembly and in the United States Congress. The Commission promotes, develops and monitors legislation involving utility regulation and related concerns.

During the past two years, the General Counsel and his Assistants, in addition to the discharge of their routine duties have made more than 700 Commission and Court appearances and have written more than 700 orders

pertaining to motor carriers, railroads, utilities, enforcement and miscellaneous matters. The legal staff won affirmation of all Commission decisions appealed to Tennessee Courts during that time period. The attached is an abstract of the orders written by the Legal Division and court proceedings handled from January 1989 through December 1990.

ABSTRACT OF ORDERS AND COURT PROCEEDINGS

DURING 1989-1990

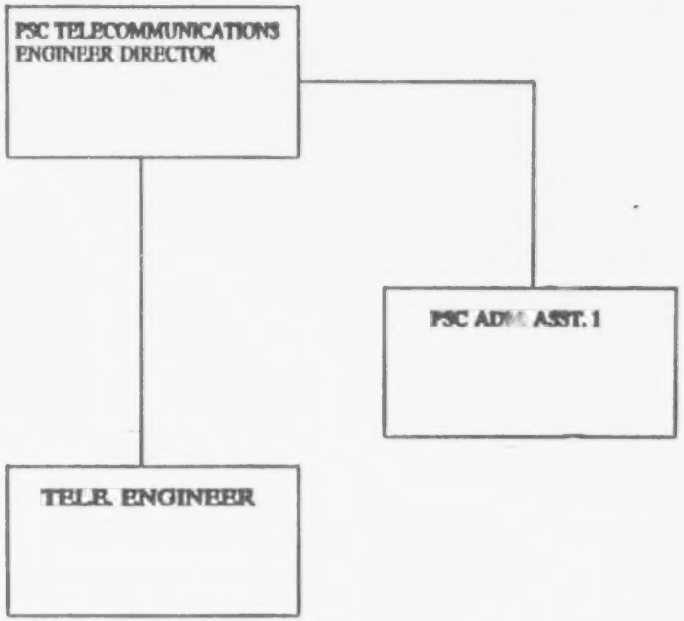
Orders

	Motor Carrier	Utility	Railroad	Assessment	Total
1989	119	129	23	1	272
1990	134	294	11	2	441
Total	253	423	34	3	713

Court Cases & Proceedings Before Federal Agencies

	Motor Carrier	Utility	Railroad	Assessment	Total
TN Ct. of Appeals	4	1			5
TN Sup. Ct.		2			2
6th Cir. Ct. of App.	2		1		3
U.S. Dist. Ct.(Mid TN)			1		2
ICC	1				1
FCC		1			1
Other Courts	3	1			4
Total	6	9	3	0	18

TENNESSEE PUBLIC SERVICE COMMISSION
TELECOMMUNICATIONS DIVISION
EMPLOYEE CLASSIFICATION ORGANIZATIONAL CHART
08/17/90



TELECOMMUNICATION DIVISION

Ted Tingley
Director

The Telecommunication Division's function is to assist in the review and evaluation of applications for new utility franchises or expansion, perform special investigations of utility problems and service evaluations requiring engineering skills, review and approve new construction plans for utility companies, provide technical assistance to the Commissioners and other Divisions, participate in telephone rate cases, develop and review depreciation rates, help analyze REA Loan applications, and advise the Commission on telephone engineering matters. The Division consists of one Director, and one Administrative Assistant.

The primary responsibilities of the Telecommunication Division are more fully presented below:

1. Review of construction plans and results:
In completing the annual review of construction plans and results for each utility under the Commission's jurisdiction, we review annual reports for plant additions, retirements, customer growth, average net plant investment, and average depreciation reserve.

We obtain data on major projects completed during the past year, major projects planned for this year, digital conversion schedule for telephone companies, level of held orders, total coming year's planned capital expenditures for all accounts, total coming year's planned retirements for all accounts, total coming year's projected depreciation expense, and significant changes anticipated in revenue or expense for the coming year. We review all projects completed during the past year for compliance with TPSC rule 1220.4.1.01.

2. Construction estimate approval:
The Division reviews and approves all construction projects with gross additions over a specified dollar limit for each utility under the Commission's jurisdiction. The Division checks the plans and studies to see that applicable rules, regulations, and statutes are complied with and that the latest technical developments are being incorporated into design where necessary, feasible, and economical. Once approved the estimates are transmitted back to the utilities. The Director follows the progress of selected projects by making field inspections and construction verifications.

3. Depreciation and REA Loan studies for regulated utilities:
The Director assists the Accounting Division on completing the review and making recommendations for REA Loans and Depreciation Rates. Data submitted by the utilities and data supplied by this Division's programs are used to complete this task.

4. General technical aid:
General technical aid is provided to the Commissioners and to other Divisions of the Commission as required. Provisions are contained in the

utility rules and regulations for codes by which all utilities must abide. Technical interpretation of these codes is the responsibility of the Division.

5. Providing information to interested parties:
Providing information to interested parties is done continually by the Division. Questionnaires are received, completed and returned on a variety of topics. Presentations for seminars and conferences are included in the function.

6. Rate Cases:
In rate cases, the Division reviews planning and engineering procedures, physical plant conditions, equipment and installation costs, prepares questions for cross-examination of company witnesses, and presents expert testimony as required.

7. Special Projects:
Telephone service evaluation and investigations involving special problems and projects are completed where technical assistance is required.

Division Activity

	1989	1990
Construction Plans and Results	46	45
Depreciation Studies	4	4
Special Projects	33	40
Field Inspection/ Construction Verification	-	20
Construction Estimates *	352	297

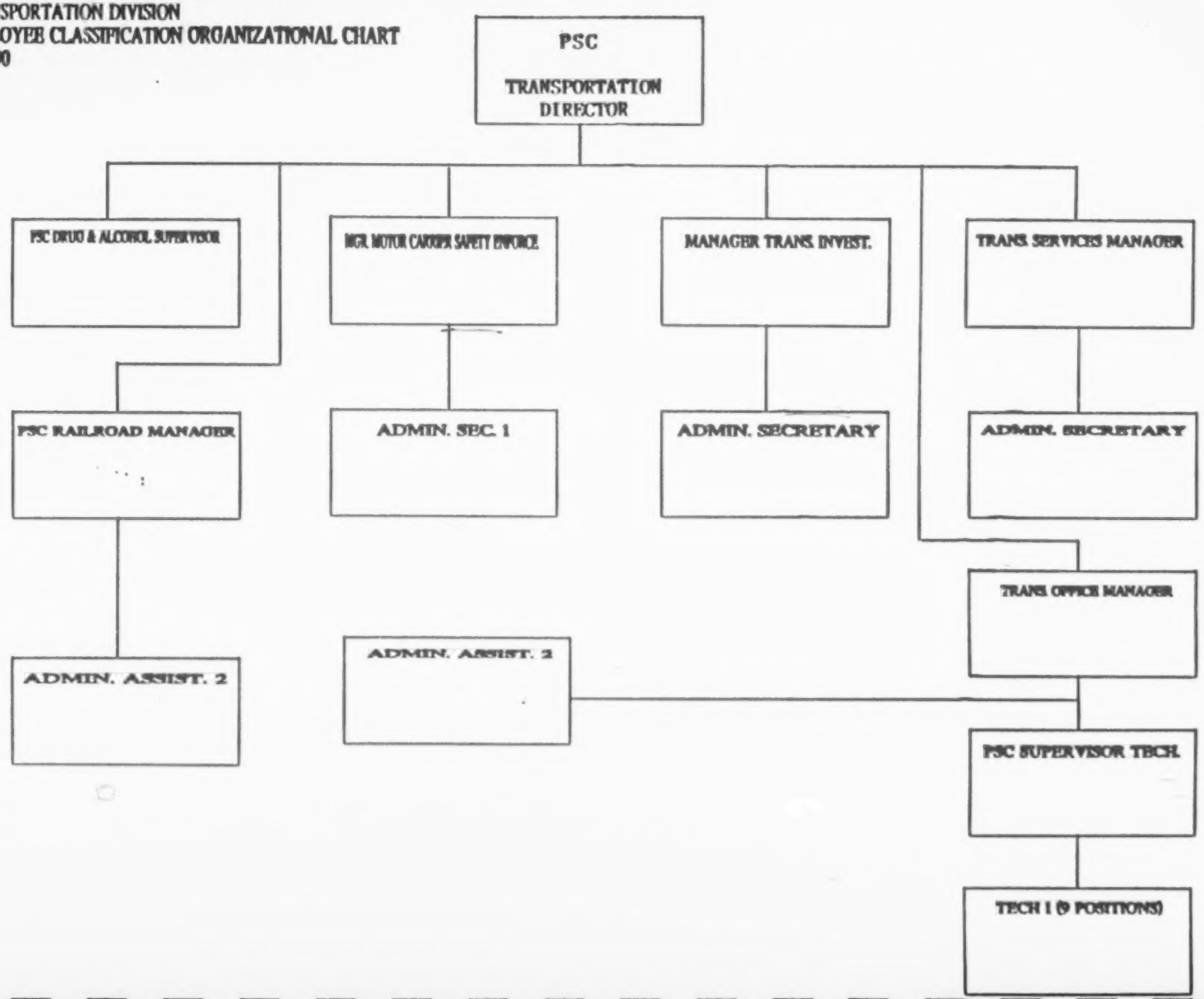
* Estimate: $232,466,304 gross additions for 1989 and $126,285,306 for 1990.

TRANSPORTATION DIVISION

Gordon Smith
Director

The functions and responsibilities of the former Motor Carrier Division and the former Railroad Division were merged into the newly organized Transportation Division in November 1989. The new division was created to optimize synergies of a combined organization and better manage the expanded Motor Carrier Safety Program, including the addition of a canine unit to our Drug Enforcement Program. The organizational chart for the Transportation Division is shown on the following page:

TENNESSEE PUBLIC SERVICE COMMISSION
TRANSPORTATION DIVISION
EMPLOYEE CLASSIFICATION ORGANIZATIONAL CHART
08/17/90



TRANSPORTATION DIVISION
MOTOR CARRIER
SAFETY AND SERVICE

The Transportation Division has power under T.C.A., Section 65-15-107 and 65-15-108 to grant operating authority to motor carrier and contract haulers operating within the State. The Transportation Division is responsible for the physical processing of the application for new motor carrier authority from the time the application is received until a Final Order is rendered either granting or denying a Certificate of Convenience and Necessity. The Division is responsible for reviewing an application to see that the proper information is filed; a hearing is set; proper notice is given; and the Final Order is distributed. The Division also assists in the technical analysis of the information submitted with the application for new authority. Statistical information regarding motor carrier service regulation is shown in the following table:

MOTOR CARRIER SERVICE REGULATION

	1989	1990
Authority Applications Processed	5,081	4,824
ICC Interstate Permits Processed	4,213	4,097
Exempt Interstate Permits Processed	762	698
Intrastate Applications Processed	94	106
Petitions/Applications for Emergency Temporary Authority	15	7
Regulated Interstate Trucking Companies Registered with TPSC	16,476	17,444
Regulated Interstate Bus Companies Registered with TPSC	798	796
Exempt-for-Hire Trucking Companies Registered with TPSC	5,141	4,803
Intrastate Trucking Companies Registered with TPSC	397	419
Intrastate Bus Companies Registered with TPSC	54	84
Total Motor Carriers Registered with TPSC	22,866	23,546
Permit Stamps Issued	542,655	538,851
Trip Permits Issued	2,535	472
Economic Investigations	87	92
Economic Violations	6,230	6,061

Motor carrier personnel conduct investigations of truck-related accidents and hazardous materials incidents when notified by and/or requested by Department of Safety, Tennessee Emergency Management Agency or other enforcement organizations. In addition, motor carrier personnel perform investigations and audits on motor carrier safety programs. The dominant motor carrier activity in the Division is a proactive truck and bus inspection program designed to take unsafe vehicles and drivers off of the highway before an accident occurs. In this regard, TPSC motor carrier enforcement officers are second to none in the quantity and quality of truck/bus inspections. Information concerning accidents/incidents, investigations, inspections, and audits is shown in the following table:

MOTOR CARRIER SAFETY REGULATION

	1989	1990
Motor Carrier Accident/ Hazardous Material Incident Investigations	395	382
Safety Investigations	42	64
Safety Audits	250	253
Driver-Equipment Inspections	121,173	125,748
Out-of-Service Units	55,123	61,760
Out-of-Service Drivers	10,380	10,599
Citations Issued	40,900	41,419
Safety Violations	503,443	526,821
Hazardous Materials Violations	27,590	33,246
Carriers Requesting Inspections	48	45
K-9 Inspections	-	3,226
K-9 Inspections Resulting in a Drug Find	-	175
Homemade Trailer Inspections	187	152

The Motor Carrier function is comprised of 176 employees. There is a total of 139 enforcement personnel, 15 administrative employees, 2 homemade trailer inspectors, 7 motor carrier investigators, 1 K-9 Unit supervisor-trainer, 6 K-9 officers, 1 drug and alcohol specialist, 4 managers, and 1 director. Motor carrier enforcement personnel have the responsibility of enforcing both safety and economic regulations of the Motor Carrier Act.

TRANSPORTATION DIVISION
RAILROAD SAFETY AND SERVICE

The Transportation Division's Railroad Section is responsible for the general supervision and regulation of the railroads operating in the State of Tennessee. Included in this responsibility is the inspection of all new construction or expansion of rail facilities to determine their compliance with minimum clearance requirements, as well as walkway requirements set forth by the Commission. Further, all railroad accidents resulting in fatalities and major derailments are investigated by the Railroad Section. Investigations of rail accidents/incidents resulting in the release of hazardous materials or derailments and damage to any railcar containing hazardous materials are also conducted by this section.

The Transportation Division participates in the Federal/State Railroad Safety Inspection Program and has Federal Railroad Administration Certified Inspectors in the Track, Motive Power and Equipment, Operating Practices, and Signals and Train Control Disciplines.

This section investigates numerous complaints registered by Rail Labor Organizations, other state and local governments and concerned citizens regarding unsafe and unsanitary conditions existing on the rights-of-way of railroads operating within the State.

As of December 31, 1990, there were six (6) Class I Railroads, one (1) Regional Railroad, and fourteen (14) Short Line Railroads operating within the State. These twenty-one (21) railroads have a total of approximately 3,117 miles of main and branch line track and approximately 1,458 miles of other track.

<u>Class I Railroads</u>
Burlington Northern Railroad Company
CSX Transportation, Inc. (formerly "Seaboard System"/L & N Railroad)
Illinois Central Railroad Company
Norfolk Southern Corporation ("Southern Railway Company")
St. Louis-Southwestern Railway Company ("Southern Pacific")
Union Pacific Railroad Company (formerly the "Missouri-Pacific")

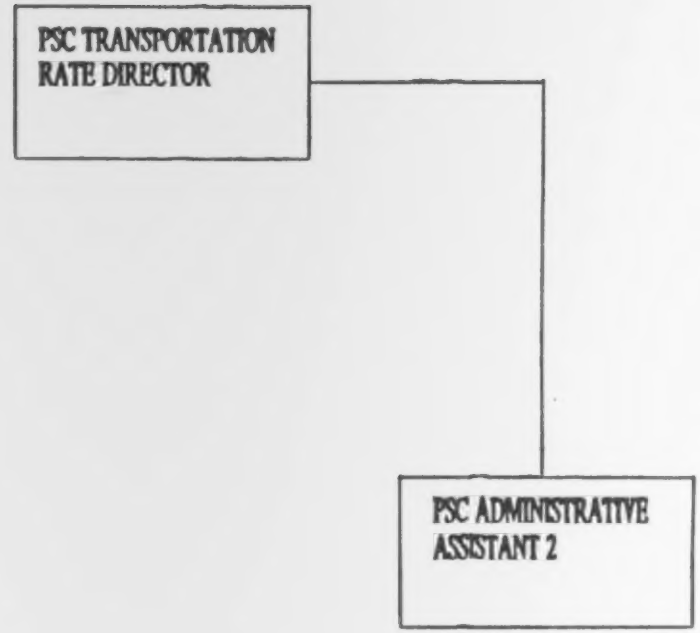
<u>Short Line & Regional Railroads</u>
Caney Fork & Western Railroad, Inc.
Corinth & Counce Railroad Company
East Tennessee Railway Corporation
KWT Railway, Inc.
McCormick, Ashland City, & Nashville Railroad Company
Nashville & Eastern Railroad Company
Natchez Trace Railroad
R. J. Corman Railroad Company
Sequatchie Valley Railroad Company, Inc.
South Central Tennessee Railroad Company
SouthRail Corporation
Tennessee Southern Railroad
TennKen Railroad Company, Inc.
Walking Horse & Eastern Railroad Company, Inc.
West Tennessee Railroad Corporation

Statistical information regarding the TPSC Railroad Safety and Service Program is shown in the following table:

RAILROAD AND SAFETY SERVICE

	1989	1990
Accident Reports Filed	66	32
Formal Complaints Investigated	152	218
Show Cause Orders	0	0
Inspections Conducted		
State Program	912	1,036
Federal Railroad Administration Program	14,288	14,485
Car Inspections	11,078	11,880
Track Inspections	2,677	2,280
Signal System Inspections	137	103
Operating Practice Inspections	396	222

TENNESSEE PUBLIC SERVICE COMMISSION
TRANSPORTATION RATE DIVISION
EMPLOYEE CLASSIFICATION ORGANIZATIONAL CHART
07/30/90



TRANSPORTATION RATE DIVISION

Don Wingo
Director

The Transportation Rate Division maintains a complete tariff for each motor carrier under the Commission's jurisdiction.

Four hundred intrastate carriers file rates with the Commission. Under Tennessee law, motor carriers are required to charge just and reasonable rates for transportation services. Typically, a carrier will adjust its schedule of rates and charges several times a year. In 1989, the Division processed 266 tariff filings. 363 were processed in 1990.

The majority of the filings are for rate reductions reflecting a competitive market for transportation services. Carriers are allowed to reduce rates on short notice. Carriers may reduce rates to meet the established rates of a competitor on one day notice. Other reductions negotiated with shippers may become effective after 15 days notice.

Proposals for rate increases require at least 30 days notice before becoming effective. Unprotested proposals to increase rates (up to five percent) may be approved without hearing under the Commission's rules. In 1989 and 1990 general rates were increased as shown in Table 1:

TABLE 1: INCREASE IN RATES

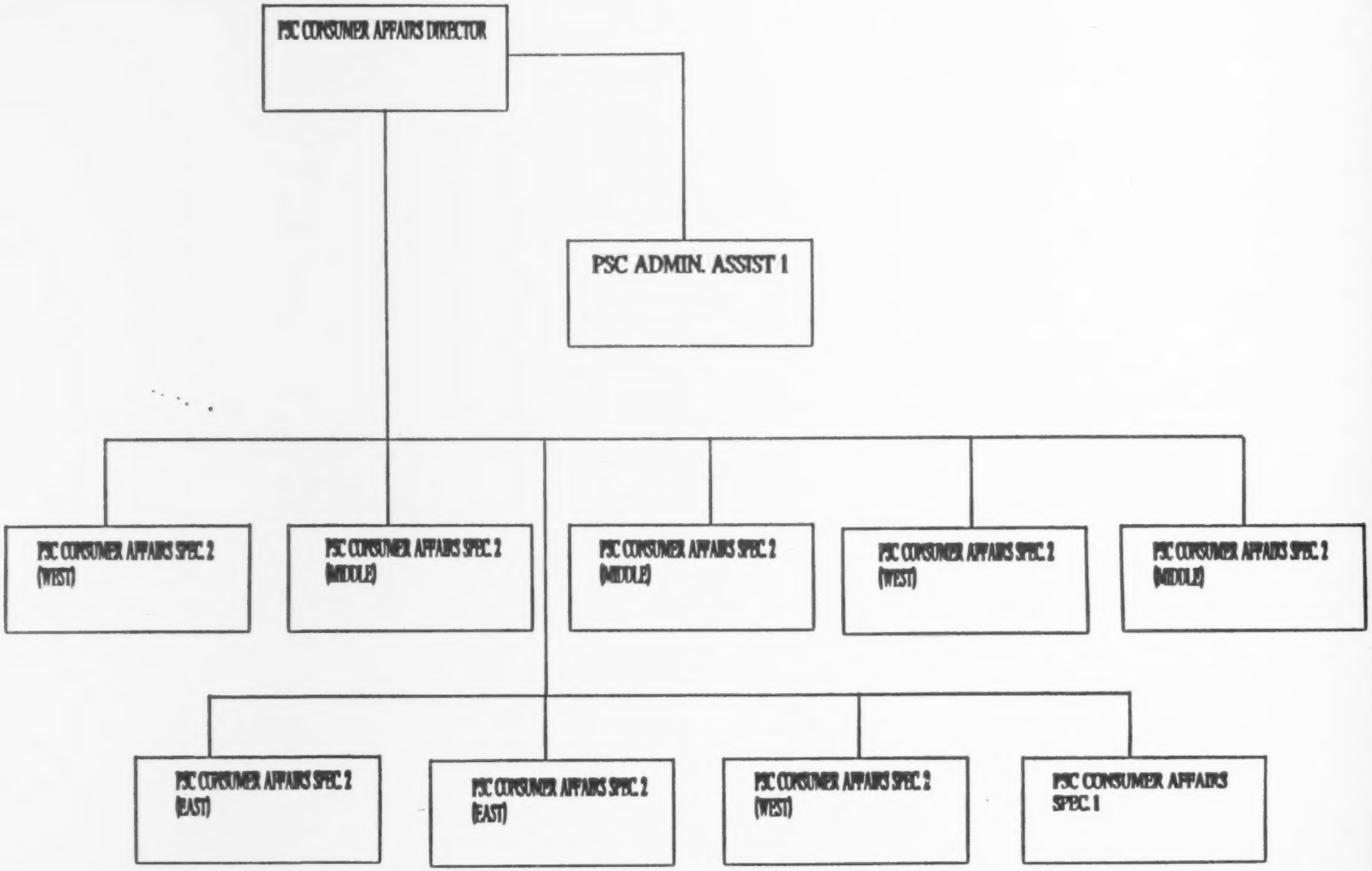
TYPE	1989	1990
General Commodities	0	4%
Heavy Haulers & Bulk	3%	5%
Bus	0	5%
Movers	5%	5%
Tank Truck	5%	3%
Small Package	5%	0
Other	3%	3%

On two occasions during 1989-1990, the Commission allowed temporary rate adjustments for fuel increases. In January 1989 a temporary adjustment was approved. The Commission implemented another fuel adjustment program in September 1990. During these periods transportation rates increased and decreased with the change in price of fuel.

During the reporting period the Division initiated changes for small package carriers and household goods carriers. Controversial provisions relating to a small package carrier's liability for damages were revised. Changes affecting estimates, liability and consumer information for Household Movers were negotiated to be more responsive to the public. Eighteen complaints ranging from $50 to $20,000 in claims were investigated and resolved by the Division.

In 1990, the Division participated in a six month study to determine the adequacy of services performed by general commodity carriers. On balance most carriers are performing adequate service to representative points, according to the findings of the study. The study will be used in the future to analyze service performance.

TENNESSEE PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION
EMPLOYEE CLASSIFICATION ORGANIZATIONAL CHART
07/31/90


PSC CONSUMER AFFAIRS DIRECTOR
PSC ADMIN. ASSIST I
PSC CONSUMER AFFAIRS SPEC. 2 (WEST)
PSC CONSUMER AFFAIRS SPEC. 2 (MIDDLE)
PSC CONSUMER AFFAIRS SPEC. 2 (MIDDLE)
PSC CONSUMER AFFAIRS SPEC. 2 (WEST)
PSC CONSUMER AFFAIRS SPEC. 2 (MIDDLE)
PSC CONSUMER AFFAIRS SPEC. 2 (EAST)
PSC CONSUMER AFFAIRS SPEC. 2 (EAST)
PSC CONSUMER AFFAIRS SPEC. 2 (WEST)
PSC CONSUMER AFFAIRS SPEC. 1

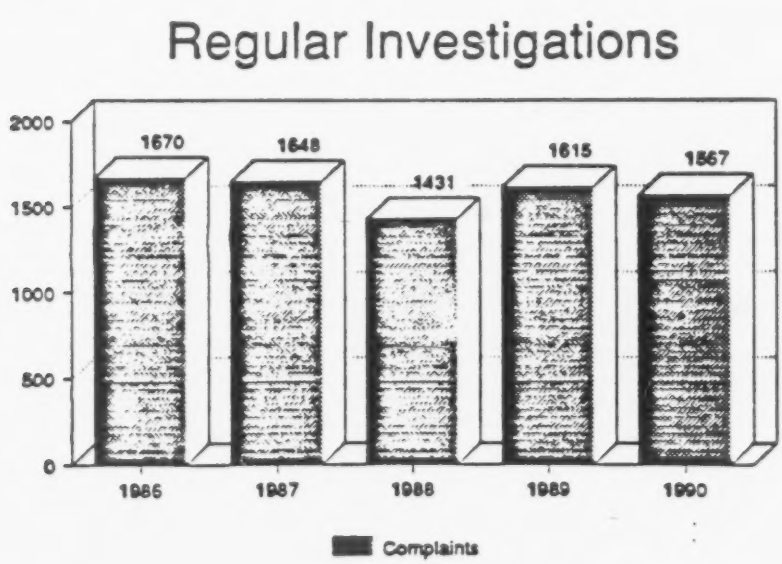
UTILITY SERVICE DIVISION

Eddie Roberson
Director

The Utility Service Division (USD) has one Director, one Administrative Assistant, eight Consumer Specialist II, and two Consumer Specialist I. The USD has Consumer Specialists stationed in Jackson, Memphis, McMinnville, Nashville, Church Hill and Rockwood.

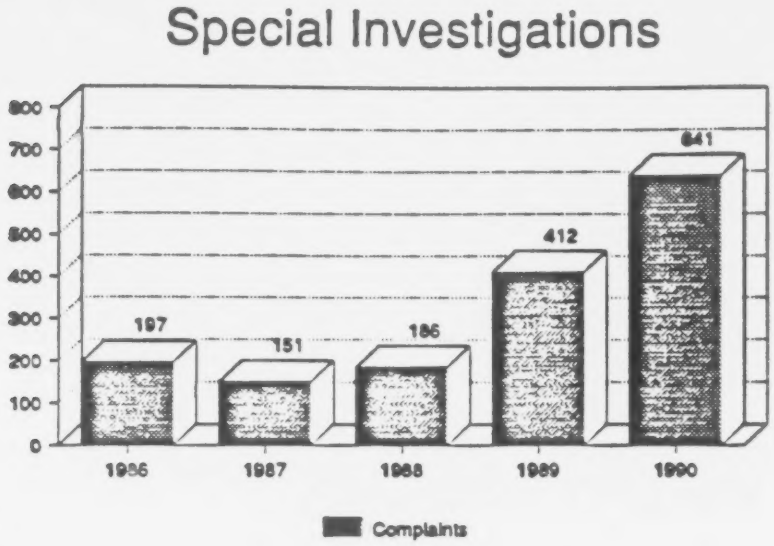
The USD performs the staff work in the regulation of public utilities concerning service. This includes: analyzing complaints involving regulated companies (Regular Complaints), analyzing complaints involving non-regulated conditions (Special Investigations), and registering Customer Owned Coin Operated Telephones (COCOTs). The Utility Service Division also conducts service hearings, community meetings, service audits, offers testimony at rate hearings regarding the quality of service, and surveys non-regulated companies for possible regulatory proceedings.

1. Regular Investigations. Each complaint received is assigned to a Consumer Specialist II for a comprehensive investigation. The complaint is also filed with the utility company which is required to investigate and report to the USD within ten (10) working days. The findings of both investigations are reviewed by the Director for a final disposition.



2. Registration of Customer Owned Coin Operated Telephones (COCOTs). On July 1, 1990 the Commission began enforcing new rules requiring COCOTs to be registered with the Tennessee Public Service Commission. It is the responsibility of the USD to register all COCOTs in Tennessee. During 1990 the USD registered 4314 COCOTs.

3. Special Investigations. The USD also receives complaints regarding non-regulated companies and non-regulated aspects of regulated companies. The Consumer Specialist II reviews the situation and acts as mediator between the consumer and the company.



4. Inspection of COCOTs and Local Exchange Carrier Pay Stations. Each Consumer Specialist II regularly inspects pay telephones to test for compliance of Commission Rules.

5. Conducts or participates in Public Meetings to discuss utility matters. From time to time members of the USD participates in public meetings. The purpose of these meetings range from receiving public input regarding the quality of utility services to informational forums.

FORMAL COMPLAINTS FILED WITH THE USD

	Total Regulated Companies	1989	1990
ELECTRIC	1	17	18
GAS	4	115	121
LONG DISTANCE CARRIERS	4	114	211
MOBILPHONE	8	8	0
TELEPHONE	18	1341	1092
WATER and SEWERAGE	13	23	125
900 INFORMATION PROVIDER COMPANIES	-	N/A	54
COCOTs	-	N/A	57
AUTOMATED DIALER and ANSWERING DEVICES (ADADs)	-	*	278

OTHER FUNCTIONS AND PROGRAMS OF THE USD

	1989	1990
COMMISSION HEARINGS	3	3
PUBLIC MEETINGS	4	27
SPECIAL INVESTIGATIONS	412	641
COCOT INSPECTIONS	3064	995
PAY STATION INSPECTIONS	4364	2430
CONSUMER UTILITY ADJUSTMENTS AWARDED AS A RESULT OF COMMISSION INVESTIGATION	$30,554	$138,691

* Legislation regulating ADADs went into effect July 1

COMMISSIONERS OF THE TENNESSEE PUBLIC SERVICE COMMISSION FROM 1897

Commissioners	Dates Served	Grand Division
E. L. Bullock	1897-1898	West
N. H. White	1897-1898 1905-1906	Middle
F. M. Thompson	1897-1898	East
N. W. Baptist	1899-1904	West
J. N. McKenzie	1899-1904	Middle
Thomas L. Williams	1899-1906	East
B. A. Enloe	1905-1918	West
Frank Avent	1907-1914	Middle
Harvey Hannah	1907-1936	East
George N. Welch	1915-1918	Middle
Julian H. Campbell	1919-1928	Middle
W. N. Beesely	1919-1922	West
Porter Dunlap	1922-1945	West
L. D. Hill	1928-1932	Middle
W. H. Turner	1933-1938	Middle
Leon Jourolmon, Jr.	1936-1948	East
W. D. Hudson	1939-1943	Middle
John C. Hammer	1943-1963	Middle
Sam S. Pharr	1945-1946	West
Andrew T. Taylor	1947-1948	West
Hammond Fowler	1948-1972	East
J. B. Avery, Sr.	1948-1953	West
Cayce L. Pentecost	1953-1976	West
Walton D. Griffin	1963-1964	Middle
Z. D. Atkins	1964-1980	Middle
Bob Clement	1973-1978	East
Frank Cochran	1977-Present	West
Keith Bissell	1979-Present	East
Jane Eskind	1981-1986	Middle
Steve Hewlett	1987-Present	Middle

SECRETARIES/EXECUTIVE DIRECTORS SINCE 1899

Name	Dates Served	
Frank Avent	1899-1906	
Charles Love	1907-1910	
Miss Willie Fields	1911-1918	
J.H. Corbett	1919-1922	
Dorsey B. Thomas	1922-1938	
George C. Anderson	1939-1941	
Mrs. Hautie Shute	1942-1965	
Mrs. Nelma R. Davis	1965-1966	(Acting)
James L. Talbot	1966-1983	
Bob Davis	1983-1986	
Paul Allen	1987-Present	

INFORMATION DIRECTORY (Effective 1/1/91)

As a government agency whose operations affect the public, the Tennessee Public Service Commission welcomes your requests for information on matters in which you have a concern. Inquiries may be made by letter to the Tennessee Public Service Commission at 460 James Robertson Parkway, Nashville, TN, 37243-0505, or by telephone.

	AREA CODE 615
TENNESSEE WATS (General Offices)	800-342-8359
TENNESSEE WATS (Transportation)	800-356-9575
FAX	741-5015
CHAIRMAN STEVE HEWLETT	741-0917
COMMISSIONER FRANK COCHRAN	741-3125
COMMISSIONER KEITH BISSELL	741-3668
EXECUTIVE DIRECTOR	741-2904
TECHNICAL ASST. TO COMMISSIONERS	741-6666
ADMINISTRATIVE LAW JUDGES	741-6666
ADMINISTRATIVE SECTION	741-2125
ACCOUNTING DIVISION FAX	741-2791 741-2336
ASSESSMENT DIVISION	741-3369
DATA PROCESSING	741-1229
ECONOMIST	741-2792
GAS PIPELINE SAFETY	741-2844
LEGAL FAX	741-3191 741-2336
TELECOMMUNICATIONS	741-7489
TRANSPORTATION Railroad Section	741-2974 741-2754
TRANSPORTATION RATE	741-3733
UTILITY SERVICE (**CONSUMER COMPLAINTS**)	741-3939